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May Day marchers throng Tel Aviv

By CAROL COOK
Jerusalem Post Reporter

TEL AVIV. — Masses of trade union members, political activists, kibbutzniks, and employees of Histadrut firms marched in yesterday's May Day parade in a colourful protest against the Begin government's domestic policies.

The turnout far exceeded the expectations of the Histadrut organizers. Histadrut spokesman Shmuel Soler estimated that between 300,000 and 350,000 people took part. The Itim news agency quoted estimates of between 200,000 and 250,000. The previous May Day parade, in 1980, attracted 20,000.

"It was about four times as big as we expected," Soler said. The parade took two hours to march past city hall from its starting point at the Bar Yehuda bridge.

Police reported no incidents of violence during the march. Security was heavy, with police, some on horseback, lined up all along the route to keep the marchers moving and bystanders out of the road. A police helicopter circled overhead. Leading the march was Histadrut

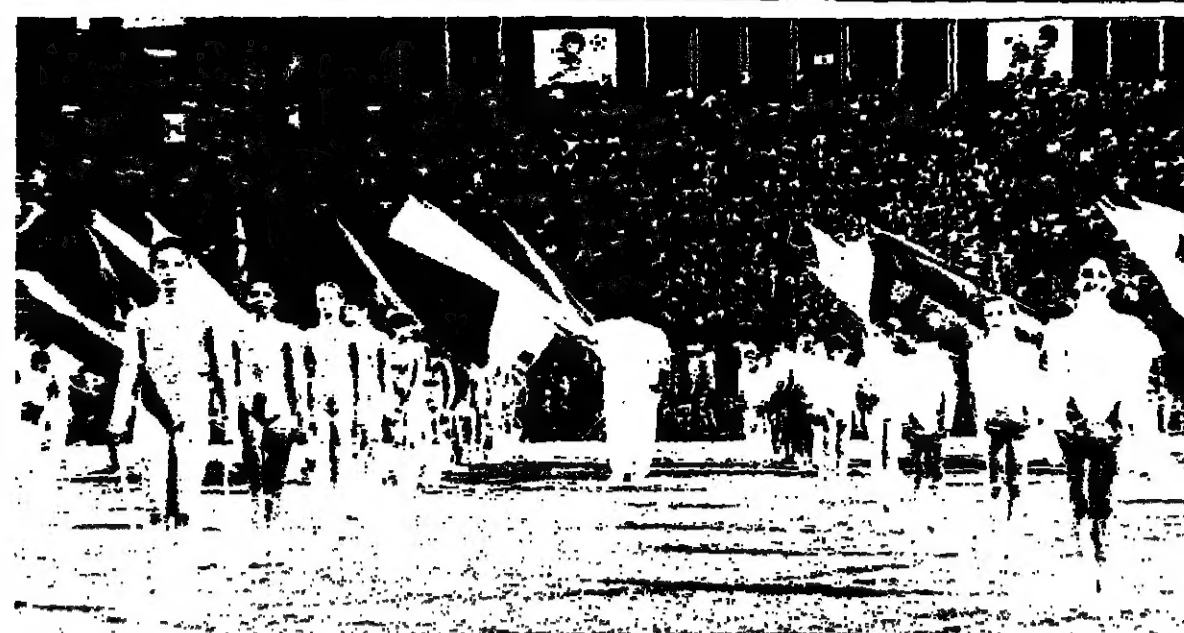
Secretary-General Yeroham Meshel, followed by trade union department head Yisrael Kessar and members of the Histadrut central committee. Directly behind them came leaders of the Labour Alignment, including chairman Shimon Peres and MK Yitzhak Rabin, followed by contingents from all the Hava'at Ha'ovdim companies, Na'amat, Kupat Holim Clalit, labour councils from all over the country, youth groups, representatives of the Histadrut's Arab sector, and political groups including the Black Panthers.

More than 20 trade union delegations from abroad also participated. The U.S. was represented by Lane Kirkland, president of the AFL-CIO.

The parade had been billed as a protest against the government's economic policies and a demonstration for free expression, and there was plenty of both in evidence. Among the placards carried:

"Doctor: Don't just help the rich. Health is for the whole nation." (Kupat Holim Clalit); "Unemployed women — a danger

(Continued on Page 2, Col. 7)



Young girl gymnasts perform at yesterday's spectacular opening of the Hapoel Games at Tel Aviv's Bloomfield Stadium (IPPA)

Festive TA opening for Hapoel Games

By PAUL KOHN
Post Sports Reporter

TEL AVIV. — The mastery precision and teamwork of the Dutch world trampolining champion, the breathtaking movement of the Danish Orlop troupe, the lovely choreography of mass calisthenics and folk-dancing and the sheer charm of young Israeli girl gymnasts highlighted a spectacular opening of the 13th Hapoel Games at Jaffa's Bloomfield Stadium last night.

President Yitzhak Navon, in one of his last official appearances, opened the games. He was accompanied by his wife and two children.

Histadrut Secretary-General Yeroham Meshel and Hapoel Director Yitzhak Ofek also greeted the 27 teams from Israel and abroad.

Some 1,600 athletes from such countries as Chile, Finland, the Ivory Coast, Canada, Rumania,

Panama and Israel, will compete in 25 sporting events.

Following the playing of Hatikva, the teams marched around the stadium, passing under an arch with the sign "Shalom — Welcome."

The largest overseas delegations came from Switzerland, Holland, the U.S., Germany, Austria and England. The Dutch and Rumanians (the only East European representatives) received the greatest applause from the 20,000 crowd.

The Israeli marchers included several old-timers, founders of Hapoel in the 1920s, a Beduin hockey team from the Negev, and representatives of Maccabi, Betar, Elitzur, and the ASA student sports organization.

The sports events start today, with the main swimming events taking place at the Tel Aviv University pool at 3.30 p.m.

Shultz 'dangles strategic pact'

Jerusalem Post Correspondent

WASHINGTON. — Secretary of State George Shultz is expected to make proposals for additional Israeli concessions, it was learned here yesterday.

The proposals were prepared in advance for use in the case of a deadlock in negotiations for troop withdrawals from Lebanon. In exchange for an agreement, the U.S. intends to free shipment of 75 F-16 war planes and to discuss a strategic memorandum with Israel, despite the objections of the Pentagon and of senior State Department circles.

Supporters of the memorandum, which was not approved by the U.S. because of the annexation of the Golan Heights in December 1982, believe it is now timely to reintroduce it in an updated form, against the background of Soviet involvement in Syria.

It would also be included in an agreement between Israel and the U.S. on security arrangements in Southern Lebanon, parallel with the strengthening of the Lebanese government by the U.S. administration.

Knesset reconvenes after Pessah break

The Knesset convenes at four this afternoon for the summer session following the Pessah recess.

The highlight of this afternoon's session will be a review of the work of the Absorption Ministry by Minister Aharon Uzan. Tomorrow afternoon, Agriculture Minister Simha Ehrlich will speak on the operation of his ministry.

Liberal MK Sara Doron's co-option to the cabinet as her party's sixth minister, will be presented to the House for approval later this week.

On Thursday at sundown, the Knesset holds a special session to install Chaim Herzog as the next president.

U.S. uncertain Syria is willing to withdraw

Jerusalem Post Reporter

Syria has proposed several alternative dates for U.S. Secretary of State George Shultz to visit Damascus. However, a reliable government source in Jerusalem said yesterday that there is a feeling of uncertainty among the American entourage regarding Syria's commitment to, and Soviet intentions on, the withdrawal of Syrian forces from Lebanon.

According to the source, some members of Shultz's party feel that Syria's position would not be clarified in one visit. They expect slow, complicated and lengthy negotiations with the Syrians as well.

From comments made by political sources in Jerusalem yesterday, it was understood that Prime Minister Menachem Begin and Foreign Minister Yitzhak Shamir maintain that Shultz should first reach an agreement between Israel and Lebanon before going to Damascus. This would prevent a situation in which the Syrians could put forward new demands prior to the completion of an agreement between Israel and Lebanon, they apparently believe.

Shultz is to resume talks this morning with the Foreign Ministry team headed by Shamir and Defence Minister Moshe Aren.

Shultz returned yesterday from Beirut with what was defined by political sources here as "new formulations" with regard to some of the outstanding issues between Israel and Lebanon.

Today Shultz is expected to hear

the Israeli position on these new formulations.

During the weekend, Shultz held intensive talks with government leaders in Beirut. He reported on these talks in two separate sessions in Jerusalem yesterday: one at the Foreign Ministry with the whole Israeli team, and the second at a private meeting with Begin.

It is understood that Shultz intends to discuss the major issues still in dispute, in private meetings with the prime minister. These include Major Sa'ad Haddad's future role in Southern Lebanon. All other subjects are to be discussed in meetings with the full Israeli and U.S. teams.

Political sources in Jerusalem said that in the session at the Foreign Ministry, Shultz started to examine, clause by clause, the 12-page draft agreement concluded during the last four months of talks between Israel, Lebanon and the U.S. It is now clear that the agreement, when achieved, will have annexes signed by all parties.

In the weekly cabinet meeting yesterday Shamir asserted that Lebanese President Amin Jemayel is coordinating his position with the Syrians.

Political sources said after the meeting that a Syrian commitment to withdraw its forces simultaneously with Israel is central to implementing a withdrawal agreement when, and if, one is reached. Shultz has received a positive response from the Syrians about visiting Damascus and, in fact, one of the dates suggested by Syria was yesterday.

Shultz told American correspondents (Continued on Page 2, Col. 5)

Street clashes in Poland; many capitals mark May 1

LONDON (Reuters). — Workers staged peaceful May Day marches in many world capitals yesterday, but street clashes erupted in some 20 Polish cities and towns.

Baton-wielding Polish police used water-cannon and tear-gas to disperse rallies called by the banned Solidarity trade union in the first major demonstrations since martial law was suspended last December.

Tens of thousands of people rallying beneath red-and-white Solidarity banners were scattered in Warsaw, Gdansk and the industrial city of Wroclaw.

Polish state television said 40,000 people across Poland took part in the opposition marches, while 6.5 million attended official parades.

Initial reports said the worst clashes flared in Gdansk, the Baltic port which gave birth to Solidarity. A 15,000-strong crowd staging an official march was beaten back by three police charges and chased through the old city.

Former Solidarity leader Lech Walesa said of the country-wide rallies: "So many people took part it surpassed all our expectations."

(Continued on Page 2, Col. 4)

Int'l Red Cross to visit 2 PoWs in Jibril's hands

Jerusalem Post Staff and agencies

DAMASCUS (Reuters). — The International Red Cross will visit tomorrow two Israeli PoWs who have not been seen by outsiders since a radical faction of the Palestine Liberation Organization captured them in Lebanon in September, a PLO official said yesterday.

Abdel-Mohsen Abu Maizar, spokesman for the PLO's executive committee, told reporters that the hardline Popular Front for the Liberation of Palestine-General Command had placed the Israelis at the disposal of the executive committee and approved a visit by the resident Red Cross representative in Damascus, Richard Gotee.

Yesterday, another senior PLO official said Austrian envoy Herbert

Amry had been given film of the two and letters from them to reassure their families of their well-being. Amry is trying to negotiate an exchange of prisoners between Israel and the PLO.

Israel defence sources confirmed that the two appeared last night in a video film on Austrian Television broadcast in Vienna. The sources gave no further details.

Eight Nahal soldiers were taken prisoner last October, in the central sector of Lebanon: six were held by the PLO's mainstream Fatah group and two by Jibril's radical organization. A PLO source at the time reportedly said the eight were separated only because there was not enough room in the Fatah vehicle for them all.

Until yesterday, no clear sign had been given that the two were still alive.

150,000 flock to Meron for Lag Ba'Omer

By MENAHEM HOROWITZ
Jerusalem Post Reporter

MERON. — A record 150,000 pilgrims yesterday participated in the traditional Lag Ba'Omer ceremonies here at the grave of Rabbi Shimon Bar-Yochai. Police said they had not seen such a large crowd in many years.

The celebrations began on Friday, when the 150-year-old Tora scroll which is transported to Meron every year, was carried out of the home of the Abu family, in Safad's old city, in a joyful procession.

The traditional bonfire was lit near the grave and, this year, a cow was slaughtered along with the usual sheep. The halakha ceremony, in which three-year-old boys get their first haircuts, was also performed. There was enthusiastic singing and dancing, and many pilgrims pitched colourful tents at the site.

The police arranged special parking lots, which were speedily filled by more than 4,000 vehicles. Police

arrested three men suspected of being in possession of hashish.

A group of twenty prisoners from the open division of Tel Mund Prison came to Meron for the festivities, together with a number of prison officers.

Elsewhere in the country, children and adults gathered around bonfires set up in virtually every vacant lot. The coincidence of the school holiday for Lag Ba'Omer and the May Day work holiday resulted in more families than usual having the day off together.

Despite the many bonfires, firefighting services did not have to deal with any major blazes. A spokesman said that this was because the heavy rainfalls had left the underbrush green and fires tended to stay localized.

In Eilat, some 1,000 youths held a Lag Ba'Omer march through the town.

In Netanya, 16 couples were married, including a 72-year-old bridegroom and his 68-year-old bride.

Shamir briefs cabinet on Argentine Jews

Jerusalem Post Reporter

Foreign Minister Yitzhak Shamir told the cabinet yesterday that "the majority of the Argentine Jews missing and not heard of since their arrest" in the government campaign against alleged subversives in the mid-seventies must be presumed dead.

In a reply to a question by Minister without Portfolio Mordechai Ben-Porat about Israeli efforts for the release of Jewish detainees in Argentina, Shamir said a great deal was being done on behalf of Jews known to be still

alive in detention, but he could not go into details.

In Buenos Aires, Likud MK Dror Zaigerman told a Jewish student assembly that Israel would do well to reappraise its arms sales policy to the Argentine, as long as innocent Jews languished in prison camps.

MK Yair Tzaban yesterday demanded that the Knesset meet in a special session to discuss Israeli relations "with the military junta in Argentina," against the backdrop of the Argentinian repression and murder of thousands of opponents of the regime.

Envoy flies to Rumania

The director-general of the Prime Minister's Office, Matityahu Shmuelovitz, leaves for Rumania today as a special envoy of Prime Minister Menachem Begin. Shmuelovitz will stay in Rumania for four days and will meet with President Nicolae Ceausescu and other top government figures. The purpose of his visit is to deal with policy and bilateral issues.

Israel-Zaire aviation agreement signed

Israel and Zaire have signed an aviation agreement granting El Al and Air Zaire flying rights between the two countries. The agreement was signed last week by an Israeli delegation visiting Zaire.

Aridor opposes 67% rise for ministers

Post Economic Reporter

Finance Minister Yoram Aridor has written to MK Shlomo Lorincz, chairman of the Knesset Finance Committee, opposing the 67 per cent pay rise granted to cabinet ministers two weeks ago.

Ministers' salaries were fixed two years ago and are updated four times a year with the cost-of-living increment and increases equivalent to the average national wage.

Aridor wrote Lorincz that Prime Minister Menachem Begin agreed with him in opposing the increase. He said the ministers' salaries should be linked to the framework agreements in the public sector.

Aridor and Hammer to work out Etzioni implementation

Jerusalem Post Staff

Finance Minister Yoram Aridor and Education Minister Zevulun Hammer yesterday began a series of daily meetings, at the cabinet's request, on implementation of the Etzioni recommendations on teachers' salaries and work conditions.

The cabinet decided that Aridor and Hammer should work out a timetable for implementation spread out over a number of years, starting 1983. The cabinet also decided that the two ministers would today commence parallel contacts with the teachers' unions on implementation.

Hammer told his colleagues that in the wake of the cabinet decision of January 1981 to implement the recommendations of the commission, which the Cabinet itself set up, it had an absolute commitment to proceed with full implementation. He said there must be a further stage of implementation in the current budgetary year.

Aridor, annoyed at Hammer's insistence on implementation of the proposals, said that the Etzioni report had become "a cult-object," instead of being approached to the country's financial situation. Aridor's use of the religious term, *avoda zara* (idol worship) upset Prime Minister Menachem Begin so much that he compelled Aridor to retract.

Aridor said the State budget, for 1983-84, had no funds available for the teachers and no minister would agree to waive part of his own budget in favour of the Education Ministry. He presented statistics to show the implementation would

cost IS2.5 billion. In Tel Aviv, the Secondary School Teachers' Association called for stepping up the teachers' sanctions, but the Histadrut Teachers Union felt that officials of the Education and Finance ministries should get an additional 48 hours to reach agreement on a timetable.

Shoshana Byer, chairman of the association, termed yesterday's cabinet decision "disappointing," and said negotiations between officials of the two ministries have already been tried. "I expected a far more meaningful and unequivocal decision," she said.

Yitzhak Velber, of the Histadrut union, said he sees something positive in the fact that the cabinet decided that the ministries should reach an agreement on implementing the recommendations, and report their agreement at the next cabinet meeting.

Moreover, he was concerned that the cabinet decision did not men-

tion how much money will be earmarked for this purpose. "I think we should wait 48 hours, and if a real decision is not made... within those 48 hours, we will have no choice but to step up sanctions, even to the point of partial or total strike," he said.

Sanctions currently in force include teachers' not substituting for colleagues who are out sick, and refusing to disclose pupils' grades on tests and written assignments.

Treasury circles said last night that the Finance Ministry was prepared to find IS100 million for the teachers and that the Education Ministry would transfer a further IS150m. from other budgets for the purpose of implementing the Etzioni recommendations. According to these circles, these sums amount to only some 10 per cent of the teachers' demands.

This means, in the Treasury's view, that 90 per cent of the demands will have to be held over for future years.

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SOCIAL & PERSONAL

President Yitzhak Navon, who leaves the presidency on Thursday, yesterday addressed the Daily Newspaper Editors Committee in Tel Aviv.

The Sir Zelman Cowen Trust Fund was dedicated yesterday at the Hebrew University in a ceremony attended by Sir Zelman and Lady Cowen, of Australia, the Australian ambassador and Mrs. David Goss, the British ambassador and Mrs. Patrick Moberly and a large contingent of Australians. Sir Zelman served as Governor-General of Australia from 1977-1982 and has now — since taking up the post of Provost of Oriel College, Oxford — resumed his position on the Hebrew University's Board of Governors.

Michael Ravid, former Israel consul in Los Angeles will speak on Israel-U.S. relations at Wizo House, Rehov David Hamelech, Tel Aviv on Wednesday at 9.45 a.m.

ARRIVALS

Mr. Leon Hutovitch, Executive Vice-Chairman, Zionist Organization of America, and Mr. Hutovitch, from 40th anniversary observances of Warsaw ghetto uprising in Poland.

Ben-Gurion University Vice-President, Mr. Ya'akov Amnon and Mrs. Avnon from the United States, and Dr. and Mrs. David Sela from Givat Beit, for the 13th Board of Governors Meeting of the Ben-Gurion University of the Negev.

Mr. Israel Blankfield, Mr. and Mrs. Alan K. Milson, Australia; Prof. Chaim Perelman, Mrs. Fela Perelman, Mr. Gabriel Tolokovsky, Mr. and Mrs. Joe (Thom) Zucker, Belgium; Mr. Israel Asper, Chief Justice and Mrs. Samuel Freedman, Mrs. Sally Golob, Dr. and Mrs. Ralph Halbert, Mrs. Berta Lunenfeld, Mrs. Julia Robinson, Mrs. and Mrs. Paul Silver, Mr. and Mrs. Morris Wask, Canada; Dr. and Mrs. Hans W. Weinberger, Denmark; Chief Rabbi Rene Sirat, France; Mr. and Mrs. Leslie Frankel, Mr. and Mrs. Isaac Kaye, Mr. and Mrs. Hillard Lebowitz, Mr. and Mrs. Sally Yeh, South Africa; Dr. and Mrs. Samuel Schepp, Switzerland; Mr. Elia Birk, Sir Zelman and Lady Cowen, Mr. and Mrs. David (Myrie) Franklin, Prof. Martin Gilber, Mr. and Mrs. Norman Nattali, Prof. and Mrs. Alfred Neuberger, Sir Sigmund and Lady Sternberg, United Kingdom; Prof. Howard Adelson, Mr. and Mrs. Philip Berman, Mr. Lyman Bloomingdale, Mr. and Mrs. Stanley Bogen, Mr. Michael Chalk, Mr. and Mrs. Willard Cohodas, Mrs. Lenny Darsin, Mr. David Feich, Mr. J. Robert Fisher, Mr. and Mrs. Sam Haber, Prof. and Mrs. William Haber, Prof. and Mrs. Milton Handler, Mr. and Mrs. Martin Hecht, Mr. and Mrs. Philip Hoffman, Mr. and Mrs. George Katz, Mr. and Mrs. Harvey Krueger, Mrs. Frieda Lewis, Mr. and Mrs. Sidney Musher, Mr. and Mrs. Samuel Rothberg, Mr. and Mrs. Harvey Silber, Mr. and Mrs. Robert Smith, Mrs. Harry Storch, Mr. and Mrs. Jerry Sudarsky, Mrs. Bernice Tannenbaum, Mr. and Mrs. Julian Venezia, Mr. and Mrs. Erwin Ziegelman — all for the 45th annual meeting of the Hebrew University Board of Governors.

Police tow away cars on Jerusalem roads

Jerusalem police yesterday towed away cars in the capital for the first time. Fourteen cars which were impeding traffic were hauled off.

Drivers must go to a special parking area on Dereh Hebron in southern Jerusalem to reclaim their cars. They must pay IS700 in addition to receiving a traffic fine.

HOME NEWS

Gov't, MDs inching towards accord

By MARGERY GREENFELD
Jerusalem Post Reporter

The Israel Medical Association and the Treasury appear to be inching towards a settlement of the doctors' strike, which enters its third month today.

During a six-hour negotiating session in Jerusalem yesterday, the IMA for the first time agreed to abandon its demand for an equal wage rise for all of the country's 8,500 doctors. The two sides yesterday began to discuss different rates of wage increase for the four different sectors making up the IMA's membership (Kupat Holim clinic doctors; department heads and senior doctors; residents and junior specialists; and administrative physicians).

The talks are scheduled to resume this morning.

"Both sides already agree on the basic principle of doubling the doctors' basic salary, plus or minus 10 per cent," Health Ministry Director-General Prof. Baruch Modan told *The Jerusalem Post* last night. "Both sides also agree that this does not mean doubling the doctors' total income, and that some elements which are currently considered extra payments will have

to be incorporated into the basic salary."

"The discussion now centres on how some of those elements can be rearranged, and that means we have passed into the 'bargaining stage' of the talks," he said.

While both sides noted that "progress is slowly being made," it was also clear that the gap between what the doctors want and what the Treasury is willing to give is still very wide.

The Treasury has not yet completed calculating the total cost of the new wage tables proposed by the doctors last Thursday. A Treasury official said that early indications point to a total cost of about IS30 billion, a reduction of only IS5b. over the IMA's previous suggestions.

Meanwhile, the Histadrut's Kupat Holim Clalit decided yesterday to take further steps to ease the burden on its members caused by the continued absence of all doctors from its neighbourhood clinics. Members will be reimbursed for the entire cost of treatment in hospital emergency rooms. The Clalit fund will also honour all prescriptions and request for laboratory tests issued by emergency room doctors. The fund also decided to raise the amount of reimbursement for visits

to private doctors from IS191 to IS240, and to honour all prescriptions issued by these doctors. But none of these measures apply to visits to doctors in alternative medical centres, the fund spokesman emphasized.

The Histadrut and Kupat Holim are still pressing for the issuance of back-to-work orders to 30 per cent of the clinic doctors, a step that has been repeatedly rejected by Health Minister Eliezer Shostak.

The doctors have strongly indicated that they would ignore such orders, as they did in March, and this could lead to an ugly escalation of tension just at the time when the talks are beginning to move forward, the observers said.

The High Court of Justice yesterday issued an order nisi requiring Shostak to explain within seven days why he should not issue back-to-work orders against the clinic doctors.

Justices Aharon Barak, Yehuda Cohen and Hanna Eynor issued the order nisi at the request of Jerusalem lawyer Yonatan Hatzkelevitz, who complained that the situation in the country's hospitals and clinics was deteriorating and the health authorities were doing nothing about it.

NRP avoids split as Hammer, Burg compromise

By SARAH HONIG
Post Political Reporter

TEL AVIV. — After a lengthy and stormy debate, the National Religious Party faction of Education Minister Zevulun Hammer decided last night not to split the party and to accept a compromise struck earlier in the day by Hammer and Interior Minister Yosef Burg.

After days of brinkmanship, it was difficult to stop short of splitting the party. Hammer's followers were not eager to accept the deal and Hammer was hard put to convince them not to reject his compromise.

Many of the speakers at the faction meeting last night demanded that the compromise be turned down and that the faction set up its own Knesset faction today, thereby splitting the NRP. Another proposal was that the faction boycott the upcoming internal party elections.

which had become the bone of contention that brought about one of the most critical conflicts in the NRP's troubled history.

The compromise reached by Hammer and Burg stipulates that the elections be held as scheduled on June 1, but that the voters elect only 55 per cent of the delegates to party forums with the rest coming from yeshivot, the Bnei Akiva youth movement, settlements and the universities. The idea is to attract to the party public figures who were hitherto not identified with it or with political activity of any sort.

The deal came after threats by the Hammer faction throughout last week to split the party. The NRP today loses one of its six MKs, Rabbi Haim Druckman, who has joined the new Matzav party. This morning, he will formally leave the NRP Knesset faction. He is to remain in the coalition.

IDF sergeant who died in Lebanon blast is buried

Jerusalem Post Reporter

Samal (sergeant) Uri Dahan, 29, of Tel Aviv, who was killed on Friday when his IDF vehicle was blown by a mine north of Sidon, was buried in Holon Cemetery the same afternoon. Three other soldiers in the vehicle were wounded.

Yesterday, an Israeli tank set off a mine near Bashmoun village, south of Beirut. There were no casualties. Following both incidents, IDF troops searched the area for tracks. The incidents were the first min-

ings reported in the coastal region, a sign interpreted by security experts as indicating a reorganization of terrorist activity in the area.

Light weapons fire was aimed at IDF troops on Saturday near Kurned Al Laouz in eastern Lebanon. There were no injuries and troops returned fire.

In Tyre a time bomb exploded on Friday but there were no casualties, an army spokesman said. A number of shops in the vicinity were badly damaged.

Baha'is denounce Iran persecutions

Jerusalem Post Reporter

HAIFA. — The fifth international convention of the Baha'i faith met here over the weekend. It ends today with a pilgrimage of the 650 delegates to the Baha'i holiest shrine, outside Acre.

The major event of the four-day assembly, which denounced anti-Baha'i persecutions in Iran, was the election on Friday of the nine-man Universal House of Justice, the supreme administrative body of the religion, which has its seat in Haifa.

The nine members, all of whom were re-elected for a five-year term, are: Hugh Chance of the U.S.; Hushmand Fatheazam, Iran; David Hoffman, England; Borrah Kavita, U.S.; Glenford Mitchell, Jamaica; Ali Nakhjavani, Iran; Dr. David Ruhe, U.S.; Ian Semple, Scotland, and Charles Wolcott, U.S.

Ballots received from Iran, where an estimated 300,000 Baha'is live, were included in the vote. The announcement that the votes had arrived was received by a standing ovation by the delegates in a show of solidarity with their persecuted coreligionists in Iran, where the faith originated in 1844.

Condemnation of the Iranian persecution was made during the Haifa convention for the first time. Only the Baha'i centre in the U.S. had previously reacted to the Tehran government's excesses against Baha'is, whom it accuses of "collaborating with Zionists," among other crimes.

The convention delegates represent 133 national spiritual assemblies which govern the faith in their respective countries and constitute the electorate of the House of Justice.

NY rally for Israel draws 50,000

NEW YORK. — Under clear skies more than 50,000 supporters of Israel assembled today on Manhattan's Fifth Avenue to participate and watch the annual "Salute to Israel" parade. New York Mayor Ed Koch, Israeli officials, members of Congress and dozens of other dignitaries were among those who greeted the marchers, who were led by the Israel Defence Forces' orchestra.

Curfew in Nablus and West Bank camps

TEL AVIV (Itim). — Security forces yesterday imposed a curfew on the old city of Nablus and on the refugee camps of Balata, Askar and El-Az in West Bank youths hurried stones at Israeli vehicles.

The window of an army vehicle was smashed in Nablus.

A firebomb was thrown at a Border Police vehicle in Jenin, but no injuries were reported.

STREET

(Continued from Page One)

Walesa attended mass in Gdansk, but did not join any marches.

In Vatican City, a light plane towing a huge solidarity banner swooped low over St. Peter's Square just before Pope John Paul addressed a May Day message to 50,000 pilgrims. But the pope made no direct reference to Poland in his message.

In Moscow, Communist Party chief Yuri Andropov and other Soviet leaders waved from Lenin's mausoleum as hundreds of thousands of marchers paraded before the Kremlin in a strictly-regulated annual routine.

Many of the floats in the Moscow parade featured anti-American slogans. In an undisguised dig at President Reagan, cartoons depicted a cowboy riding a nuclear missile like a bucking horse.

In Paris, France's two biggest trade unions paraded in support of President Francois Mitterrand's Socialist government despite their opposition to its harsh austerity programme.

In other May Day activities:

— The normally austere Great Hall of the People in Peking was the setting for a huge party with acrobats, gymnasts, bird mimics, musicians and puppeteers entertaining crowds swarming through the ornate marble rooms of China's seat of government.

— West German trade union leaders took the opportunity to urge the Bonn administration to shorten the working week and introduce a job-creation programme.

— Greek workers staged strikes and mass rallies at which speakers demanded salary increases and better employment conditions.

— About 200,000 people turned out in Prague and a quarter of a million celebrated May Day in Budapest, according to Czechoslovak and Hungarian news agencies.



Anti-Zionist residents of Jerusalem's Mea She'arim quarter prepare to burn the national flag at the neighbourhood's central Lag Ba'Omer bonfire on Saturday night. (Scoop 80)

U.S. UNCERTAIN

(Continued from Page One)

dents accompanying him on the flight from Beirut to Jerusalem yesterday that, because of the talks in Jerusalem today, he would travel to Damascus at another date.

Political sources in Jerusalem believe that at this stage Shultz is acting in accordance with the Israeli position, which calls for first concluding an agreement between Israel and Lebanon and only then negotiating with the Syrians.

After his meeting with Begin, Shultz met with four families of Israel Defence Forces soldiers missing in Lebanon. Shultz noted that it was a sad encounter, but said he found that the families have full confidence in the prime minister and the people of Israel. Begin thanked him for meeting the families.

Observers feel that some progress has been made in the talks. Political sources say that, with more effort, it is likely that Shultz will succeed in bridging differences between the parties.

The Post Diplomatic Reporter adds:

Shamir told the cabinet yesterday that Jemayel had backtracked on a number of points which his officials had previously agreed on with Israeli officials. He was anxious to find out whether the Lebanese about-face was tactical, or final.

He revealed that the Lebanese authorities no longer wanted to put militia leader Haddad on trial for treason, and even described him as "a loyal Lebanese." The authorities are ready to appoint Haddad deputy commander of the territorial brigade for the southern region, responsible for intelligence, he revealed. Israel, however, still insists that Haddad himself command the brigade, Shamir added.

Shamir said the bomb attack on the U.S. Embassy in Beirut had apparently caused panic among Lebanese leaders and this panic mirrored itself in their actions and statements.

When one of the ministers asked Begin whether it would not be worthwhile, for Israel, to be more flexible in its negotiations with the Lebanese in return for a renewed American commitment not to recognize the PLO, Begin said he

preferred to make no comment.

Begin said it is premature to talk in terms of "an end to the PLO presence in Lebanon." Even if its men left Lebanon, Begin said, there would still remain numerous local elements in the country willing to do the work of the PLO on its behalf.

The prime minister did not use the term "memorandum of understanding" but said that Shultz told him that an improvement in relations between Israel and the U.S. is both "possible and necessary."

However, a cabinet source said that the U.S. and not Israel, had aired the possibility of a memorandum of understanding on its equivalent. The sources said that Israel is very wary about the idea that it buy an improvement in its relations with the U.S. at the price of security concessions on the northern border.

Once the Lebanese issue is settled, the source said, Israel would much appreciate any improvement in its ties with America, but it held that the embargoed F-16 warplanes are not effective for catching terrorists and hence should not be a substitute for solutions to objective security problems on the ground.

The source said that Syria's decision whether to withdraw its troops from Lebanon would depend on factors other than the nature of Israel's agreement with Lebanon. These factors include Syrian perceptions of its strategic interests in the region; Soviet policy with regard to Syria and Lebanon; the Damascus regime's hardline ideology; and its role in the Arab world.

The source said that Syria is probably building up military tension with Israel as a hint to Lebanon not to make concessions to Israel, and that Syria probably arranged the bombing of the U.S. embassy to hamper the negotiations.

MAY DAY

(Continued from Page One)

to society," (Na'amat); "Zionism of Jews, not of territories," (Sheli); "Out of the mud in Lebanon," (Young Communist Alliance).

A large Arab youth group showed a poster depicting David and Goliath, with David an Arab boy and Goliath an Israeli soldier.

In Nazareth yesterday, thousands of Israeli Arabs marched through the streets to mark May Day. It was the first time since the 1967 Six Day War that police had permitted the Rakah (Communist) party to organize such a procession and to hold a rally in the municipal stadium, instead of in one of Nazareth's vacant lots.

The demonstrators, most of them belonging to Rakah's youth movement, carried dozens of red flags and several national flags. They also carried signs and placards in Hebrew and Arabic calling for the total withdrawal of Israeli troops from all territories occupied in 1967 and the establishment of a Palestinian state alongside Israel.

Some of the placards sharply attacked Prime Minister Menachem Begin for his role in the 1948 Deir Yassin village massacre and his Lebanon policy today, as well as former defence minister Ariel Sharon and former chief of staff Rafael Eitan. No incidents were reported.

Rakah also held similar processions in Um-nu-al-Fahm for the Little Triangle villages and Kafr Yasif for Arab villages in western Galilee. In Kafr Yasif, a special Communist Party delegation from Czechoslovakia marched in the procession. A delegation of Golan Druse also attended, marking the first time Golan Druse have taken part in May Day events.

Two men arrested for assaulting wives

TEL AVIV (Itim). — Two men were arrested yesterday for assaulting their wives.

David Dal'i, 72, of the Yad Eliahu neighbourhood here, is suspected of having burned his wife with hot milk. The woman told police her husband often beats her.

Yehuda Cohen, 29, of Holon is suspected of having poured boiling coffee on his wife and throwing a burning cigarette at her.

Mark Turkow, 79

TEL AVIV (Itim). — Mark Turkow, writer, journalist and one of the leaders of Argentinean Jewry, died on Friday in Buenos Aires. He was 79.

Turkow, who moved to Argentina from Poland in 1930, served as secretary of the World Jewish Congress in Latin America.

CIVIL DEFENCE — There will be a civil defence exercise in Ellat tomorrow, May 3, with the participation of aircraft. There will be sounds of firing and sirens during the exercise. In the event of a genuine emergency, irregular sirens will be sounded.

In deepest sorrow we announce the passing of our mother, sister and beloved grandmother

LUBA COHEN-LASK

The funeral took place yesterday, Sunday, 1.5.83 at the Kiryat Shaul Cemetery.

Shiva is taking place at her daughter's house, Ruth Rasnic, 17 Yigal Alon St. B. Herzliya.

The mourning Rasnic, Doron, Meshier, and Bachar families.

The World Jewish Congress mourns the death of

HILLEL STORCH

distinguished leader of the Jewish community in Sweden and of the World Jewish Congress, who passed away in Stockholm.

Unveiling and Memorial for

MARIE SINGER

Holon Cemetery, Thursday, May 5, 1983, at 11:00 a.m. We will meet at the side entrance to the cemetery.

Esther Zackler, Administratrix

Our beloved

BARUCH BENNO FRIEDMAN

passed away on April 29, 1983 at the age of 87.

His daughters: Hadassa Horn and family, Jerusalem; Alisa Orell and family, Haifa.

His brother: Hillel Friedman and family, Petah Tikva.

ALYN

Dorothy and Malcolm Woldenberg Orthopaedic Hospital and Rehabilitation Centre for physically handicapped children

On the thirtieth day after the passing of our beloved Chairman

SHLOMO CHOCZNER

a memorial assembly will be held today, Monday, May 2, at 4:00 p.m. in the Shlomo Hall at Alyn, Kiryat Yovel, corner Olswanger and Shmaryahu Levin St., Jerusalem.

To: Genia Leimenshtein

Our sincere condolences on the death of your

Father

Hadar Insurance Co. Ltd. Management and Staff

In deep sorrow we announce the death of our beloved wife and mother

LYN MILLER

who passed away on May 1, 1983.

The funeral cortege will leave from 7 Fineberg St., Rishon LeZion, at 3:00 p.m., today, Monday, May 2, 1983 for the Gordon cemetery. Telephone 03-948007

Husband — Philip Miller
Sons — Gershon and Reuven

Jerusalem College of Technology expresses heartfelt condolences to

Rosalia and Nathan Weiss on the loss of their husband and father

RABBI LEOPOLD WEISS

Our sincere condolences to our general manager,

Elisha Shachmon and family

on the death of his mother

ALIZA SHACHMON

Motorola

Broadcasting Authority under fire from cabinet

Jerusalem Post Reporter

Complaints by many cabinet ministers about the administration and policies of the Israel Broadcasting Authority (IBA), led to the approval of only a six month budget at yesterday's weekly cabinet session, although the full 12 month budget had been submitted for approval.

Education Minister Ze'evulun Hammer presented his year's budget for approval, but the ministers tied in a six to six vote after a round of complaints and ruminations. Prime Minister Menachem Begin finally convinced his colleagues to approve a budget till the end of September, after suggesting that the authority's management committee be invited to a cabinet session shortly, to hear ministers' views about their work.

Science and Technology Minister Yuval Ne'eman drew nods of support from several other ministers when he suggested that the Arabic

TV news carry Hebrew subtitles "so that Jewish viewers will get the news in a balanced form."

Justice Minister Moshe Nissim was not contradicted when he said: "If you want the Zionist news bulletins, you have to watch Arabic TV and listen to Arabic radio, not Hebrew."

Minister without Portfolio Mordechai Ben-Porat said that Arabic-language TV and radio were doing vital work despite being starved of money, manpower, and facilities.

One result of the shortages, he said, was the resignation of the director of Arabic radio news last month.

Energy Minister Yitzhak Moda'i asked why the authority had budgeted \$16m, on staff tax expenses, and why it was buying so many foreign films.

Several ministers queried the large sums budgeted for overtime pay and for out-of-pocket staff expenses.

TV to go over to colour completely in May

Jerusalem Post Reporter

Israel TV will broadcast completely in colour by the end of May, according to Broadcasting Authority engineers who have re-designed and re-equipped the studios at TV House with new equipment.

Gabi Fisher, the chief engineer at Israel TV, says that it cost the authority \$4.8 million for the switchover to colour, which has

been implemented in stages. TV had to throw away all its old black-and-white cameras and other equipment because, he said, "there is no market for them and there are no spare parts for black-and-white cameras." But he added that an additional \$5m. would be needed if Israel TV were to have all the basic equipment it needs to broadcast on a level equal to that in other Western countries.

New chief rabbis divide court, rabbinical duties

By HAIM SHAPIRO

Jerusalem Post Reporter

The two chief rabbis have divided up their functions for the next five years, with Ashkenazi Chief Rabbi Avraham Shapira acting as head of the Rabbinical High Court and Sephardi Chief Rabbi Mordechai Elihu serving as president of the Chief Rabbinate Council.

The two, whose terms run for 10 years, are to switch roles after five years. The previous chief rabbis, Ovadia Yosef and Shlomo Goren traded positions every year.

Spokesmen for the new chief rabbis indicated to *The Jerusalem Post* that the new incumbents plan to keep a low profile, with fewer statements on public issues than their predecessors. After six weeks in office, they are still busy receiving a string of callers, including rabbis from Israel and abroad.

No date has yet been set for the traditional "crowning" ceremony, but it is not likely to take place during the semi-mourning period of the counting of the Omer, which lasts until Shavuot in the middle of this month. It is possible that Shapira, at least, may decide to dispense with the ceremony altogether, on the grounds that it is basically a Sephardi custom.

Rabbi Elihu has had difficulty in obtaining the traditional robe worn by the Rishon LeZion (the traditional title of the Sephardi chief rabbi). The embroidered gown was ordered from Turkey, but political troubles in that country have delayed its delivery. There have also been delays in the swearing-in of the Chief Rabbinate Council.

Prisoners riot at Beersheba lockup

Jerusalem Post Reporter

BEERSHEBA. — The 62 prisoners in the overcrowded lock-up at police headquarters here rioted on Friday evening for the second time in two weeks. The jail was built to hold 48.

The prisoners said their riot was in protest against overcrowding, and denial of basic and visitor rights. They burnt mattresses and

refused food. Police say 15 prisoners who cut themselves with sharp objects were treated immediately by the lock-up doctor for superficial wounds.

The riot was quelled after a two-hour battle involving police and Border Police reinforcements.

The Prison Service later moved 20 prisoners to Kfar Yona Prison and 10 to Ashkelon Prison.

High Court acts on large-families law

The High Court of Justice yesterday instructed Minister of Finance Yoram Aridor to show cause within 45 days why two Arab Knesset members cannot receive the same allowance for their children as army veterans and yeshiva students.

The order was made by judges Aharon Barak, Yehuda Cohen and Haim Elovor following a petition by the two MKs, Mohammed Wadat and Hamad Halaili, (both Alignment), for an order forbidding certain clauses in the Budget Law on child allowances.

The order also instructs the minister to explain why he should not prevent money being transferred to the Ministry of Religious Affairs to allow yeshiva students who do not serve in the Israel Defence Forces to receive the full allowance. It further instructs Aridor to explain why he did not prevent the

Knesset Finance Committee from requesting funds for the Religious Affairs Ministry for this purpose. Wadat, the father of seven, and Halaili, the father of 10, asserted through attorney Tsali Reshef, that the actions of the finance minister were "illegal and discriminatory."

They said that the right of parents of large families to receive child allowances should not be decided on the basis of nationality or religion.

The law, which was passed in March, increases the allowances for families with four or more children in which the father has served in the IDF. However, yeshiva students, who do not serve in the army, and whose sole occupation is study, also receive the extra money from the Treasury. Most Arab families do not receive the extra benefit as Arab men usually do not serve in the IDF. (Itim).

Galilee lookout settlements to be enlarged

Jerusalem Post Reporter

KIRYAT SHMONA. — Plans for increasing the size of Galilee miz-pim, (look-out settlements) in the coming months were announced yesterday by Micha Golan, head of the settlement department of the Farmers' Association.

Yuvulim, in Western Galilee, is to receive another 50 families in June, bringing the settlement's population to 130 families. Adi, near Shifaram,

has begun a "Build your own home" programme for 50 extra families, and the agricultural village of Kidmat Zvi, on the Golan, is to receive its first 30 families within a few months. The families are already living, near an IDF camp at Kela, in preparation for their move to Kidmat Zvi.

A vineyard, and apple and persimmon orchards have already been planted for the new settlement.

Bungled killings may signal new generation of gang wars

By ROBERT ROSENBERG

Jerusalem Post Reporter

A recent spate of attempted murders in the Jerusalem underworld

Welcome Back to Israel
Ed Soffer
and his staff of
Israel Commercial TV
from the Cannes Film Festival
Irene Leigh, London, England
Shoshana Schreiber, New York
Eric and Yehudit Heller,
Boston, Mass.
all supporters of many
worthy causes
From the Capt. Yehiel and Ruth
Glovsky Langer Hospitality
Foundation, 1 Mapo St. Jerusalem

appears to be connected to the aspirations of a new generation of criminals seeking to establish their reputations.

Although nobody has yet been injured in the attempts — at least five have been reported in the last five days — one innocent man was nearly burned to death on Friday night, when arsonists burned out the Jerusalem of Gold nightclub in Abu Tor. Only the quick thinking of two police patrolmen managed to get the night watchman out in time.

The nightclub is owned by Moshe "Moshiko" Yafet, who like many of the others linked to the recent wave of murder attempts, is described by the police as "known to us."

What is particularly unsettling to



Eliezer Whartman pickets outside the Jerusalem hotel where a UJA mission was staying.

Ex-JDC man pickets UJA missions

By JUDY SIEGEL

Jerusalem Post Reporter

The former public relations director of the Joint Distribution Committee in Israel — who was forced to resign last December over a pro-settlement article he wrote for *The Jerusalem Post* — is now picketing every United Jewish Appeal mission visiting Israel in a call for "free speech."

Eliezer Whartman is editor of the Israel Press Service and identified himself only as such in his December 7 article in favour of settlement in Judea and Samaria. He has demonstrated outside the hotels of half-a-dozen missions so far, and has pledged to continue to present his case — with the help of a large sign and leaflets — to participants in every future UJA mission. The UJA is the recipient of tax-exempt donations in the U.S., part of which is allocated to support the JDC.

Whartman maintains that most UJA donors are unaware of the fact that their funds go to help support the Jewish Agency bureaucracy, and that nearly \$2 million a year also goes to finance yeshivot in Israel. He also claims that the Jewish federations in the U.S., which collect funds for local needs and the UJA, have bought up many privately-owned Jewish papers and thus "control the Jewish media, stifling any criticism that is bad for fund-raising."

Although lay leaders of American Jewish organizations are allowed to voice their own opinions about Israel, Whartman says, "professionals aren't allowed to say a word."

No other professional in Jewish organizations here and abroad has complained about the "lack of free speech" because "they want to ensure the continuation of their fat salaries," says Whartman.

Jaffa auction thugs in court

By MICHAEL YUDELMAN

Jerusalem Post Reporter

TEL AVIV. — Four men suspected of terrorising auction sales in Jaffa by threatening and assaulting customers, had their remands extended yesterday in the Magistrate's Court here.

The four, from Tel Aviv and Bat Yam, are suspected of threatening bidders at Jaffa's auction sale hall, as a means of controlling the bidding and getting items for themselves at low prices.

Prosecutor Zehava Nakdimon told magistrate Uri Struzman, that the four suspects, Haim Ashkenazi, brothers Shimon and Asher Biton, and Uri Shabtai, attended an auction sale in Jaffa on March 22. Fathi Abu-Schada, of the Gaza Strip, bid for an item on sale, but dropped his offer when Shimon Biton threatened him.

Then Ashkenazi dragged Abu-Schada out of the hall and he and one of the brothers Biton threatened and slapped him.

An hour later, Ashkenazi and the Biton brothers beat him up in a restaurant near Jaffa's flea market. Shabtai waited for them in a car until they had finished, and the four drove off, according to the charge sheet.

On April 20, the suspects again met Abu-Schada at the auction sale hall and threatened to beat him up again if he bid for any of the items on sale. Nakdimon told the court. When Abu-Schada bought an electric appliance and went to the cashier to pay for it, Ashkenazi and one of the Bitons assaulted him. Abu-Schada, who spent several days in hospital after the first beating, complained to the police, who arrested the suspects.

Murder suspect remanded for 15 days

By MICHAEL YUDELMAN

Jerusalem Post Reporter

TEL AVIV. — "I killed my wife because she teased me and I suspected her of betraying me," Eliazur Rabinowitz, 44, of Holon, told magistrate Arye Ziv-Av yesterday. Rabinowitz, who is suspected of murdering his wife Shoshana with an Uzi submachine gun last Thursday evening, was remanded in custody for 15 days.

At about 8 p.m. Thursday, Tel Aviv police headquarters received a telephone call from a man who announced he had just murdered his wife in their apartment in Holon, a police representative told the magistrate.

Police found the bullet-riddled body of 38-year-old Shoshana Rabinowitz in the entrance of the second floor apartment. A man standing by the corpse identified himself as Rabinowitz, and an Uzi submachine gun was lying near the

kitchen sink. The suspect worked in Eilat and often quarrelled with his wife when he came home for weekends, the police representative said.

On Thursday, after arriving at Ben-Gurion Airport on a flight from Eilat, Rabinowitz's wife told him on the way home that she wanted a divorce. A quarrel erupted. Shoshana left the car and her husband drove home alone.

When she returned, he took out an Uzi submachine gun, which he has had since the Six-Day War. "Do you want domestic peace?" he asked her. When she told him to get out of the flat, he shot her, Rabinowitz told the police.

The Tel Aviv Magistrate's Court yesterday remanded Eli Falah, 27, of Holon in custody for eight days on suspicion of attempting to murder his brother-in-law, Yossi Biton. The two had quarrelled over a pair of jeans.

Ex-Herut official named civil service head

Jerusalem Post Reporter

Deputy civil service commissioner, Avraham Natan, was appointed commissioner at yesterday's weekly cabinet session. He replaces Eliezer Hochster, who has reached retirement age.

Natan was a Herut party official until his appointment as deputy commissioner last year.

Also in the cabinet, Religious Affairs Minister Yosef Burg presented a proposal to set up a budget and planning committee for recognised institutions of higher Torah study.

The cabinet will discuss this at a future session.

Budgeting for the country's universities is handled by the budget and planning committee of the Council for Higher Education.

Burg's proposal is understood to reflect the public outcry over the fact that yeshivot get their state funding more on the strength of their supporters' political connections, with the National Religious Party and Agudat Yisrael, than on objective criteria such as per capita student body, physical facilities, and location.

War reporters meet today to debate battlefield coverage

Jerusalem Post Reporter

Journalists from some of the major western news media meet in Jerusalem today for a three-day conference to review war time news coverage.

The journalists will meet with political scientists and other academics in informal closed workshops at the Hilton Hotel. The conference is organized by the Hebrew University's Leonard Davis Institute and the Communications Institute.

One of the workshops will compare the coverage of the wars in Lebanon and the Falklands. Journalists from Israel, Lebanon, Britain, Argentina and the major U.S. television networks and newspapers will talk about their personal experiences in covering the conflicts and how this experience was reflected in their reports.

Dr. Gahi Sheffer, one of the con-

ference organizers and a director of the Leonard Davis Institute, says the conference is intended to give journalists a forum to talk about their work, while offering academics insights for use in serious research on the ways wars are reported.

Censorship will be the subject of another workshop. The conference organizers have invited chief army censor Tal-Aluf Ya'acov Even and army spokesman Tal-Aluf Yitzhak Shani to take part.

Other subjects to be dealt with include the aftermath of the wars in Lebanon and Vietnam, questions of national consensus, and news management in the media during wars. Defence Minister Moshe Arens will address participants of the conference tomorrow evening, and Foreign Minister Yitzhak Shamir will speak at a dinner tomorrow night.

Jerusalem mayors' parley to discuss ethnic problems

Jerusalem Post Reporter

Eighteen mayors from the U.S., Colombia, Portugal, Switzerland, Uruguay and West Germany arrived in Israel yesterday to take part in the Fourth Jerusalem International Conference of Mayors, hosted by Mayor Teddy Kolek.

The conference, organized by the American Jewish Congress, the U.S. Conference of Mayors and the Jerusalem Institute for Israel Studies, is devoted to the theme, "The Dynamics of Urban Life: Coping with Different Population Groups."

The week-long discussions will deal with the continuing challenges of effectively serving the needs of different ethnic groups in urban and suburban areas. Sessions will also include discussions of the changing family structure and its implications for city planning, the preservation of ethnic identities and the changing cycle of urban life and its impact on intra-urban migration.

Sessions will be held at the Van Leer Foundation, the Jerusalem Municipality and the Israel Museum. Participants will meet with President Yitzhak Navon, Prime Minister Menachem Begin, Interior Minister Yosef Burg and Foreign Ministry Director-General

David Kimche. The mayors will also tour holy sites and visit Yad Vashem.

An opening dinner was held last night at the Jerusalem Hilton, with the participation of Kolek and Howard Squadron, president of the American Jewish Congress.

The 18 mayors are Nuno Kruz Abecassis (Lisbon); John Bourne, Jr. (North Charleston, South Carolina); Arthur Clark (Waltham, Massachusetts); Stephen Clark (Dade County, Florida); Hans Duchser (Marquartstein, W. Germany); Hans Endres (Hersbruck, Germany); Bill Frederick (Orlando, Florida); Margaret Hance (Phoenix, Arizona); Werner Herzog (Herrrieden, Germany); W. R. Holco (San Bernardino, California); Arthur Holland (Trenton, New Jersey); Edward Knox (Charlotte, North Carolina); Hans Koschnick (Bremen, Germany); William Morris (Shelby County, Tennessee); Dr. Oscar Victor Rachtel (Montevideo, Uruguay); Dr. Germain Sarmiento (Bogota, Colombia); Dr. Eugen Schmid (Tuebingen, W. Germany); and Dr. Thomas Wagner (Zurich). Laura Dekoven Waxman, assistant executive director of the U.S. Conference of Mayors, is also participating.

Amnesic doctor missing on Carmel

Jerusalem Post Reporter

HAIFA. — A large force of police and volunteers were last night still searching for an elderly Jerusalem doctor who mysteriously disappeared during a visit to Kibbutz Beit Oren, on Mount Carmel, on Friday afternoon. A spotter plane and tracker dogs were used over the weekend, to no avail.

Dr. Raphael Kaplan of Upper Motza, who is in his seventies, suffers from amnesia and has an artificial left leg. He was staying at the Dan Carmel Hotel here with his daughter and son-in-law.

On Friday morning, they set off for a tour of the area and stopped at the kibbutz, where Dr. Kaplan went to the toilet. When he failed to reappear after 15 minutes his daughter raised the alarm.

An immediate search was made of the kibbutz and the surrounding area. His walking stick was found in the toilet, but of the doctor himself there was no trace.

Kaplan is 1.75 metres tall, with white hair. He was wearing sunglasses, a green shirt, green trousers and brown shoes.



Israeli pies on English tables

Ready-to-eat chicken and turkey pies are among the dozens of processed foods developed, manufactured and exported to the United Kingdom marketed by Milouot, a cooperative enterprise in Israel. Innovative cottonseed products, fruit packing and fresh produce are also on the production programs of Milouot's ten plants in the Western Galilee.

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Sara Doron co-opted as cabinet minister

Jerusalem Post Reporter

The cabinet decided yesterday to co-opt Liberal MK Sara Doron and will seek the Knesset's approval for the move later this week.

Doron, who will not have a portfolio, was co-opted following a vote by her party's central committee last month, in which she beat her closest rival, deputy agriculture minister Pesach Gruper, by a modest majority.

She becomes the sixth Liberal minister, replacing Yitzhak Berman, who resigned from the cabinet last September because of the cabinet's hesitation in appointing a commission of inquiry into the Sabra and Shatilla massacre.

Timerman's son jailed for Lebanon refusal

TEL AVIV. — Daniel Timerman, son of ex-Argentinian journalist Jacobo Timerman, was yesterday, sentenced to 35 days of detention for his refusal to do reserve army service in Lebanon.

Last October he was sentenced to 28 days in prison for the same offence.

The *Yesh Gvi'ol* (There's a Limit) group of conscientious objectors, to which Timerman belongs, said yesterday that since the campaign began, 36 soldiers have been sentenced for similar offences.

Young Labourites form 'ideological' group

TEL AVIV. — *Mashov* (Feedback), a group of young members of the Labour Party, was formally established on Saturday as a regular "ideological circle" with the approval of party chairman Shimon Peres. About 230 persons attended the founding session. The group's chairman, Yossi Beilin, who is also Labour party spokesman, told the meeting he would like to see Labour joining forces with the Liberals in forming a government, rather than court the National Religious Party.

Argentine generals declare 'desaparecidos' dead

BUENOS AIRES (AP). — The ruling armed forces on Thursday admitted that mistakes were made and innocent people were killed during the suppression of leftist guerrillas here during the mid-1970s. But they insisted they acted to save the nation and declared the "disappeared people" dead.

The three-man junta issued a 22-page "Final Document on the War Against Subversion and Terrorism," which, it said, contained all information at the armed forces' disposal and insisted it must serve to close "this grievous chapter of our history."

Local and international human rights groups say between 6,000 and 15,000 people "disappeared" between 1975 and 1979 during the campaign against leftist guerrillas and suspected subversives. The human rights organizations contend many of the missing, known as desaparecidos, were abducted, tor-

tured to obtain information and summarily executed by the armed forces and police.

The statement drew immediate criticism from leading human rights groups, who described the document as "a new attack on the country's dignity."

They rejected the junta's assertion that unidentified guerrillas killed in combat and in-fighting among guerrillas had swollen the number of missing people, by saying 82 per cent of those who disappeared were snatched from their homes or jobs in front of witnesses.

The report said that by 1975, there were 25,000 subversives, including 15,000 "combatants," belonging to three leftist guerrilla organizations.

It said there were 21,642 "terrorist acts" between 1969 and 1979 and that 2,050 people — not including security forces — died in 742 clashes between 1973 and 1979.

Nicaragua says guerrillas invaded from Costa Rica

MANAGUA (Reuters). — The Nicaraguan army said yesterday that 700 right-wing rebels had invaded Nicaragua from Costa Rica with the aim of overthrowing the country's leftist government. About 40 of the guerrillas were said to have been captured.

Commander Roberto Calderon, in charge of army units on the Costa Rican border, said the 40 captured insurgents were equipped with Belgian-made FAL rifles, U.S. made anti-tank rockets and M-16 automatic rifles, which they said were supplied by the U.S. Central Intelligence Agency (CIA).

Calderon's charge came against the background of reports that a former Nicaraguan revolutionary hero, Eden Pastora, had led a group

of men from Costa Rica into Honduras to fight the Sandinista government.

Pastora, also known as Commander Zero, was a successful military leader during the 1979 revolution which toppled dictator Anastasio Somoza and brought the Sandinistas to power. But he defected from the left-wing government over what he described as a betrayal of the revolution's ideals.

Twelve people, including a West German doctor, were killed in a guerrilla ambush on Saturday in Nicaragua's Jinotega Province, the authorities announced. A government source said all 12 victims suffered gunshot wounds to the head "as if they had been finished off or executed at close range." (Reuters, AP)

Corsica terror ring broken after bomb wave in France

PARIS (Reuters). — French police have smashed a Corsican National Liberation Front (FNLC) ring in Paris and discovered bomb-making equipment and \$100,000 in counterfeit money, police sources said yesterday.

Eight men detained after Friday's spectacular wave of 15 bombings in the capital and other cities by the Corsican separatist guerrillas will probably face charges, they said.

Two of those detained admitted taking part in the attacks, which hit four mainline railway stations and an Air France terminal, the sources added. The stations attacked were St. Lazare, Gare de l'Est, Montparnasse and Austerlitz.

Marseilles, Aix-en-Provence and Alfortville were also hit by bombs, as the guerrillas broke a two-year truce with the government in mainland France. The explosions caused serious damage but no casualties.

Police sources said that authorities learned by chance of the FNLC's plans late on Thursday, only a few hours before the explosions, and mobilized scores of men to try to prevent them.

They were alerted by a man being questioned about forged banknotes, who said he had visited an apartment in Paris where FNLC members were making bombs due to go off during the night.

'U.S. notions of Soviet military budget distorted'

WASHINGTON (AP). — Conflicting U.S. intelligence estimates "have created a crisis of confidence concerning what we know and don't know about Soviet military spending and the Soviet economy," Senator William Proxmire said on Saturday.

"It appears from all the evidence that our policies have been distorted by exaggerated notions about Soviet military spending and underestimates of Soviet economic strength," said Proxmire, vice-chairman of the Joint Economic Committee's security economics subcommittee.

Proxmire's statement came as he released the proceedings of a

workshop on "Soviet military economic relations" held last July. The Wisconsin Democrat noted that Reagan administration officials have been telling congress that Soviet defence spending has been growing at a rate of 3 to 5 per cent a year. "But a recent Central Intelligence Agency study reports that defence growth from 1976 to 1981 averaged only 2 per cent annually," he said.

CARRINGTON. — Former British foreign secretary Lord Carrington arrived in Beirut yesterday for a three-day visit which he said was to acquaint himself with Lebanon's problems.

Rebels attack police in San Salvador

SAN SALVADOR (Reuters). — Leftist guerrillas attacked police outposts in San Salvador on Saturday night, the first fighting in the capital in weeks.

There were no immediate reports of casualties in the attacks, which began just before the start of May Day. The guerrillas earlier urged workers to celebrate May Day by supporting the struggle to hasten the defeat of El Salvador's U.S.-backed government.

Automatic gunfire could be heard from the suburbs of Mejicanos, three kilometres from the city centre, and Zacamil.

"We are under attack," a policeman at the Mejicanos outpost told reporters by telephone.

There was no immediate indication how many guerrillas were involved in the fighting, part of a major offensive launched last Friday and until now concentrated in the country's eastern provinces.

The rebels' Radio Venceremos said the offensive would not have been possible without the assistance of workers and peasants and it called on them to change their work jobs for guns.

The offensive was launched as a

direct response to the U.S. administration's plans to increase military aid to El Salvador.

The radio did not report new actions in the eastern provinces during Saturday night's broadcast, but summarized reports of earlier battles. Military sources said the guerrillas possibly were regrouping for new strikes elsewhere.

The guerrillas claimed they seized Santa Rosa de Lima, a city of 30,000 in eastern El Salvador, before dawn Saturday, then abandoned it an hour later, taking with them captured government soldiers and military gear.

'Hitler's diaries' were hidden in West for 40 years

LONDON (Reuters). — The documents supposed to be the secret diaries of Adolf Hitler are now said to have been in the West for nearly 40 years, *The Sunday Times* reported yesterday.

The newspaper, which bought publication rights from the West German magazine *Stern*, said the documents had been thought to have lain in a haystack in what is now East Germany since a plane carrying them crashed in 1945.

Stern journalist Gerd Heidemann, who unearthed the 60 volumes of documents, told the *Times* that the papers had been retrieved from the burning aircraft and lodged in a haystack at Boersdorf, in the south-eastern corner of East Germany, for only a few days.

"Heidemann says that, in the chaos and confusion of the collapse of the Third Reich in 1945, a German officer succeeded in transporting the papers, held in a large case, to the West," said *The Sunday Times*.

Meanwhile, Nazi-hunter Simon Wiesenthal said yesterday that a fingerprint check could settle a controversy over the authenticity of the diaries.

(Sensationalism — back page)



Bill Wilkinson, the Imperial Wizard of the Invisible Empire of the Knights of the Ku Klux Klan, conducts his third annual protest on the steps of the city hall in Meriden, North Carolina, on Saturday. Three hundred policemen protected the klansmen. (UPI/telephone)

Iranian communist chief admits to spying for Soviets

TEHERAN (Reuters). — The secretary-general of Iran's Tudeh (communist) Party, Nouredin Kianouri, who was arrested with much of the party's leadership in February, has confessed on television to spying for the Soviet Union.

The Tudeh Party played an active role in the revolution, which overthrew the shah in 1979 and always declared support for the Islamic government in Teheran.

But according to a translation of the confession in yesterday's English-language *Teheran Times*, Kianouri said he had been in contact with Soviet agents since 1945. "Our violations mainly consisted

of the delivery of top secret military and political documents to our bosses at the Russian Embassy," the newspaper quoted him as saying.

During the confession, screened on state-run television on Saturday night, Kianouri was shown sitting at a desk in front of a slogan reading: "America is worse than the English, the English are worse than America, the Soviets are worse than both."

He said that the party's "crimes are of the highest degree and we deserve the severest punishment. My message to all parents is not to allow their youth to be deceived by such a party as the Tudeh."

Iran, Iraq complete POW swap

ANKARA (Reuters). — Iran and Iraq completed an exchange of prisoners of war in Turkey yesterday when 32 Iraqis flew home, Turkish state radio reported.

Thirty-two Iraqi prisoners, brought to Ankara for the handover, left by air Saturday after negotiations, which involved officials from the International Committee of the Red Cross and Turkey as well as Iran and Iraq.

The Charge d'Affaires at the Ira-

nian Embassy here, said Sekhavend, told reporters that the 32 Iraqi prisoners comprised three army captains and 29 enlisted men — all invalids.

The Iraqi mission here has not released any details about the 32 Iraqis sent home.

Reporters were kept well away from the planes used for the exchange, which were parked at opposite ends of Ankara's Esenboga Airport.

Mitterrand to visit China this week

PARIS (Reuters). — President Francois Mitterrand left for Peking last night, aiming to lift Sino-French relations from stagnation.

The socialist president, who was last in Peking before his election in 1981, regards his five-day state visit as a major step in his drive to increase French influence in key

countries outside the industrialized world, officials said.

A spokesman said Mitterrand's Peking talks would include an "in-depth examination" of the question of possible sales of the Mirage 2000 fighter plane to China.

Mitterrand arrives in Peking tomorrow.

Thatcher is expected to call June elections

LONDON (Reuters). — Political commentators yesterday predicted a midsummer British general election, with June 23 the most favoured date.

One analyst said Prime Minister Margaret Thatcher, who is riding high in the opinion polls, may announce the date in a speech she plans to make on May 13, marking her first four years in power.

Thatcher must go to the country

before May next year.

The Conservatives were boosted on Saturday by trade figures showing a strong performance by industry in March, and an opinion poll published in Saturday's *Daily Star* showed them maintaining a strong electoral lead, with 46 per cent against 33 per cent for the main opposition Labour Party and 20 per cent for the Liberal-Social Democratic Alliance.

Honnecker cancels planned visit to West Germany

BONN (Reuters). — West German Chancellor Helmut Kohl last week described as "incomprehensible" the cancellation of a planned visit to Bonn this year by East German leader Erich Honnecker.

Government spokesman Dieter Stolte told a news conference that Kohl had noted Honnecker's decision, which was announced amid tension over the recent deaths of two West Germans at the East German border.

Announcing Honnecker's move, the official East German news agency ADN blamed Bonn for the deterioration in relations between the two countries and criticised West Germany's right-wing press for its coverage of the border deaths.

Stolte said, however, that East Germany should be aware there is a free press in West Germany. He said that Honnecker's decision did not relieve East Berlin of responsibility for "dismantling obstacles and improving relations" between the two states. He said West Germany would continue to seek progress for all Germans.

Chinese welcome Taiwan defector

HONG KONG (Reuters). — More than 2,000 Chinese soldiers and civilians welcomed Taiwanese air force defector Major Li Dawei at a rally yesterday at Fuzhou City in Fujian province, the New China news agency said.

The agency, monitored here, said officials at the rally announced approval for Li, 33, to join the Chinese air force. Li flew his "propeller-driven U-61 aircraft across the Taiwan Strait last Saturday to land in coastal Fujian."

Yesterday he was presented with a certificate and praised for his decision to defect. The major pledged to live up to the Chinese people's expectations and to work hard for the reunification of China and Taiwan, the agency said. Taiwan has denied that Li defected and said he was forced to land in China because of bad weather.

NEWS IN BRIEF

Soviet scientists working on 'space greenhouses'

MOSCOW (Reuters). — Soviet and Bulgarian scientists are working on the development of a "space greenhouse" to supply vegetables to cosmonauts involved in long-term missions. Tass news agency said on Saturday.

The researchers are studying the optimum soil mix for growing plants in zero-gravity conditions and also creating automatic lighting, moisture and temperature regulation systems for an orbiting artificial garden, the agency said.

During a record 211-day mission on board the space station Salyut-7 last year, Soviet cosmonauts Anatoly Berezhovoy and Valentin Lebedev cultivated peas, wheat and herbs in a special "hot-house" section of the craft.

Marcos eases punishment for labour leaders

MANILA (AP). — Philippines President Ferdinand Marcos yesterday ordered the transfer of two imprisoned labour leaders from military detention to house arrest, in an apparent effort to defuse opposition to his regime.

Marcos announced his decision in a Labour Day speech, about three hours before followers of the two labour leaders were to converge at a 25,000-seat stadium for an indoor rally.

Marcos ordered the transfer of veteran union organizers Felixberto Olalia and Bonifacio Tupaz a day after he ordered the release from house arrest of jailed newspaper reporter Antonio Nieva.

Corrupt officials sacked by Soviets

MOSCOW (Reuters). — Six senior local government and Communist Party officials have been sacked or disciplined in the Soviet republic of Azerbaijan following the discovery of a corruption racket.

The republic's Communist Party newspaper, *Bakinski Rabochi* said the swindle involved large-scale forgery of returns for farm produce so that money was paid out by the state for non-existent goods.

Soviets award Lenin Prize to Theodorakis

MOSCOW (Reuters). — The Soviet Union on Saturday announced it was awarding Greek composer and politician Mikis Theodorakis the Lenin Peace Prize in recognition of what it called his outstanding services for strengthening peace.

Three other people were listed in the 1980-1982 awards of what Moscow view as its most prestigious honour for foreign citizens — imprisoned Uruguayan opposition figure Liber Seregni, Palestinian poet Mahmoud Darwish and Canadian disarmament campaigner John Morgan. Darwish was born in Deir el-Assad, near Acre, moved to Lebanon and is a former head of the Palestinian Research Centre in Beirut.

Thai prime minister gets four more years

BANGKOK (Reuters). — Thailand's Prime Minister Prem Tinsulanonda was officially appointed for another four-year term on Saturday.

Prem, a 62-year-old retired general, is viewed by politicians and the army as an ideal compromise candidate. He appealed to the country's political parties after his appointment for their co-operation in setting up a majority government.

Guerrillas blamed for murder of three politicians

COLOMBO, Sri Lanka (Reuters). — Three prominent members of Sri Lanka's ruling United National Party (UNP) have been murdered by guerrillas in the northern Jaffna district, police said yesterday.

Two UNP candidates standing for the May 18-20 local elections and another party member died in separate shootings on Friday, they said. The outlawed "Liberation Tigers" guerrilla movement, which is fighting for a separate state for the Tamil minority, has been blamed for a series of robberies and attacks on politicians and security forces in the past four years.

Norwegians fire missiles at suspected submarine

STAVANGER (Reuters). — Norwegian military aircraft and ships kept close watch yesterday on a west coast fjord for further signs of a suspected alien submarine which has been hunted for the past five days.

A navy spokesman said a Norwegian frigate fired 12 anti-submarine missiles yesterday after establishing sonar contact with the apparent intruder. But there was no indication that it scored a hit.

The firing took place about 20 kilometres from an area in Hardangerfjord where another frigate launched 10 of the Norwegian-made Terne missiles and a depth charge after an underwater sounding on Saturday. The crew spotted what appeared to be air bubbles after the earlier attack.

Navy sources said yesterday they believed a submarine was still in the fjord, some 100 km south of Norway's main naval base at Bergen, and that the intruder would be hard pressed to reach international waters.

On the other hand, they added, it could hide for weeks in the fjord, because water conditions and the topography of the area made soundings difficult.

The navy has orders to sink any intruder trying to escape or refusing to surface. Defence Minister Anders Sjaastad has said the country to which the submarine belongs would have to bear sole responsibility for any loss of life.

The chairman of Norway's joint chiefs of staff, Lieutenant-General Sven Hauge, told national radio yesterday the navy still seemed to be confronted by two alien submarines — one inside and one just outside Norwegian territory.

In Sweden, a three-day submarine hunt off the northern port of Sundsvall was continuing yesterday, though no intruder has yet been located.

A defence staff spokesman said the navy had reason to believe one or more foreign submarines were in the area.

Choreographer George Balanchine dies at 79

NEW YORK (Reuters). — George Balanchine, the renowned choreographer who bridged pre-revolutionary Russian dance with modern American ballet, died here on Saturday aged 79.

Balanchine's collaboration with Russian-American composer Igor Stravinsky over four decades was hailed as the foremost combination of dance and musical genius.

Balanchine once choreographed a polka for circus elephants. His genius was expressed principally through ensemble choreography for the company he co-founded in 1948, the New York City Ballet.

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HAIFA — BEIT YENU Tuesday, May 3, 1983 at 6 p.m. Tickets at Nova, 32 Herzl St., Haifa, IS 15

TEL AVIV — BEIT HAROF Thursday, May 5, 1983 at 6 p.m. Tickets only at Beit Harof on May 4 and 5, 1983 10 a.m.-12 noon, and on May 5, also 4-6 p.m., IS 15

JERUSALEM — BEIT AGRON Monday, May 8, 1983 at 8 p.m. Tickets only at the office of the Journalists Association at Beit Agron on May 7, 8 and 9 10 a.m.-12 noon, and on May 9, also 4-6 p.m., IS 15.

NETANYA — OHEL SHEM Monday, May 16, 1983 Sale of tickets at the cinema.

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MUNICIPALITY OF JERUSALEM

Notice to Residents Regarding Voter Registration

Residents of Jerusalem should note that voters lists for the municipal elections which will take place on October 25, 1983 (18 Cheshvan 5744) will be published and displayed for the city's residents from May 1, 1983 (18 Iyar 5743) until May 19, 1983 (7 Sivan 5743) at the following places:

1. The Municipal Information Office, Jaffa Street 34
2. The Municipal Water Department, Jaffa Street 212, at the information desk in the entrance to the building
3. The Municipal Department for the Beautification of the City, Demetrios Hakadosh Street, at the information desk in the entrance to the building

Residents of the city, including those residents who are not Israeli citizens and including all those who are eighteen years of age as of July 25, 1983 (15 Av 5743), who have the right to vote and whose names are not included in the voters lists or in the appendix to the list can present an appeal from May 1, 1983 (18 Iyar 5743) until May 19, 1983 (7 Sivan 5743). The appeal has to be presented on an official form which can be obtained at the Generali Building, Shlomzion Hamaikha Street 1, Jerusalem in the Office for Registration of Inhabitants.

Resident of the City: Assure your right to vote!



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For registration and further details, call: 03-258311, ext. 28, or 03-268842.

Registration hours: Daily 8 a.m.-1:00 p.m. (Except Saturdays and holidays) Registration closes: Tuesday, May 3, 12 noon.

Peril Points

Is Reagan's Foreign Policy Overheated or Warming Up?

By LESLIE H. GELB

WASHINGTON

THE Reagan foreign policy is running out of time. With less than a year remaining before the distractions of the Presidential primaries, there seems no escape from the question: Is the Administration moving to the threshold of real accomplishments or is it on the verge of serious failures? The political turmoil of a Presidential year does not mix well with the sustained diplomatic initiatives usually necessary for success. From Central America to the Middle East, East-West relations, Western Europe, Africa and China, events have reached the point where they might get somewhat better or much worse, or just sit there festering until they may explode.

Reagan Administration officials agree that they have yet to achieve a concrete foreign policy success. But they insist the President is building up long-term leverage after devoting his energies to the broader task of reversing what they say was the Soviet momentum of the 1970's and restoring America's military power, prestige and its diplomatic credibility. "There is a better awareness here and abroad that a bigger effort is needed to defend ourselves against the encroachments of the Soviet empire," said Under Secretary of Defense Fred C. Ikle. "There is also a greater sense that this President would respond, and vigorously, to aggressive acts." This will soon bring dividends, officials say.

But Prof. Stanley Hoffmann of Harvard University, a frequent critic of American foreign policy, sounds alarms that are also voiced by many conservatives and by foreign diplomats. In a new book, "Dead Ends," he argues that the Reagan ideology has "proved better as a ram against the rather flimsy diplomacy of Jimmy Carter than as a compass in the jungles of the real world." He adds, "It has turned out to be utterly deficient as a strategy because it fails to address many real problems, it aggravates others, it provides no priority other than the anti-Soviet imperative, and precious little guidance even in connection with the new cold war."

Mr. Reagan put his central themes to the test of Congressional support last week in a speech on Central America to a joint session of Congress. He tried to run over the opposition with a hard-line approach rather than to co-opt bipartisan support with a conciliatory one. The results of a leftist takeover in El Salvador would be so catastrophic for United States interests, he said, that he would do everything short of sending American troops to prevent it. More military and economic aid would do the job, he argued. But in the judgment of many of his own key officials, it may take two to seven years to reverse the guerrilla tide, even with increased American aid. That is a long haul with uncertain results, and a sizeable number of legislators believe there is no chance of success unless the Salvadoran Government is forced to take the near-impossible step of transforming itself from rightist to centrist control, with participation by groups on the left.

Critics believe Mr. Reagan may already have thrown away the chance for serious arm-twisting by trumpeting Salvador as a "vital" American strategic interest, an-



Collage by Francisco Colón; United Press International

other way of telling Salvadorans we need them as much as they need us. Nor do American-supported covert military operations in Nicaragua seem to be making headway. Slow deterioration of the United States position seems likely, and a dramatic setback is a possibility. Events and Administration decisions have conspired to put Mr. Reagan in a tight spot. He can either back down somewhat, at the expense of his tough-guy image, or he can make it "Reagan's war" in Central America, with far-reaching foreign and domestic implications.

The outlook in other important foreign policy sectors is also not bright, according to prevailing judgments.

MIDDLE EAST. As with most recent Administrations past their mid-point, Mr. Reagan has improved relations with the Arabs somewhat, and reached an impasse with Israel. Many observers believe the President has put American prestige on the line without applying sufficient pressure to the Arabs and Israel to reach a measure of agreement. If he does not, his may be the first Administration in 10 years to register no progress toward resolving Arab-Israeli differences and tamping down prospects

for another war. With reports of a growing Soviet military presence in Syria, war talk is again on the rise. Secretary of State George P. Shultz is in the area now. But he reportedly has brought little by way of inducements or threats to achieve a pullout of foreign troops from Lebanon, much less reinvigoration of the Reagan peace plan.

CHINA AND ASIA. Chinese-American ties were inevitably going to fray as Peking moved toward re-establishing itself as a third power between Moscow and Washington. Mr. Reagan hoped to ameliorate the shift with the August 1982 communiqué pledging to reduce military sales to Taiwan. But when he seemed to renege, Peking protested stormily. Now bilateral relations are generally viewed as the worst since the opening to China in 1971. With Soviet-American relations also collapsing, President Nixon's carefully constructed triangular diplomacy is in jeopardy. Relations with the rest of Asia seem to be in good shape, as they were in the Carter Administration. The time bomb is still trade competition with Japan, and no easy answers to that have been found.

EAST-WEST RELATIONS. Helmut Sonnenfeldt, a

former adviser to Henry A. Kissinger, states the common ground — "deterioration in rhetoric and atmospherics, but still no Soviet-American confrontational crisis." But some critics think the risks are increasing. Last week, former Vice President Walter F. Mondale argued that Mr. Reagan's approach had "squandered the mandate for a strong, sensible defense." Attacking Mr. Reagan's "intransigence in arms control," he recommended a mutual and verifiable freeze on nuclear weapons. The White House is fighting to block a freeze resolution in the House this week. Also this week, Roman Catholic bishops will vote on their own proposal, which has been toughened in the last two weeks. The latest version returns to the original language and calls for a "halt" to the arms race, not merely a "curb."

Washington still believes a military buildup will compel the Russians to come around to accepting its arms control proposals. But the arms talks at Geneva seemed deadlocked and the Administration is struggling to preserve even the appearance of serious dialogue. Plans to squeeze Moscow received another blow last week when the 10-country European Economic Community dispatched a tough message to Washington protesting plans to tighten controls on trade with the Soviet Union.

WESTERN EUROPE. Mr. Sonnenfeldt assesses European-American relations as "worse than in a long time," but he also sees "positive signs." The Administration is hopeful the Europeans will accept deployment of new medium-range missiles. But missiles aside, many European diplomats openly criticize the Administration's "amateur" performance — lack of knowledge on the part of senior Administration officials and what they see as gratuitous inflammation of European public opinion by talk of fighting nuclear wars. Just four weeks before the economic summit at Williamsburg, Va., these diplomats say they have all they can do to prevent another fiasco. Nonetheless, Europeans are always complaining. And even though they worry about Mr. Reagan, most European leaders evidently prefer Washington to err on the side of hard-line diplomacy rather than follow a softer line.

AFRICA. The focus of action has been Namibia and Angola. The State Department persuaded Mr. Reagan to take a bold and risky decision — that the way to get Cuban troops out of Angola was by getting South Africa to relinquish control of Southwest Africa, or Namibia. But first, ties with Pretoria had to be improved. Foreign policy specialists give high marks to the diplomats trying to negotiate their way through these minefields. Angola seems to have begun to recognize that some Cubans must leave as part of a deal on Namibia. But the Angolan Government, immersed in its own civil war, depends heavily on the Cubans to keep it in power.

And even if Luanda did ask them to leave, South Africa might not deliver on its end of the bargain. If so, Washington could be left with relations improved with Pretoria but damaged with black Africa.

For Prof. Robert W. Tucker of Johns Hopkins University, "The most notable point about Reagan Administration foreign policy is its defense policy, and the distinction between its tough rhetoric and moderate actions." But the question is whether these assets will suffice to resolve dangerous disputes and keep the peace.

The Reagan people say they have not failed finally anywhere, that they have committed no irreversible mistakes and that successes are in the offing. But to produce an international success takes knowledge of how other governments work, sustained effort by the President and his senior advisers and a willingness to make many compromises. Neutral observers believe these attributes are in short supply in Washington.

Major News

In Summary

Reagan Draws The Line but Debate Continues

President Reagan warned Congress last week it would be jeopardizing "the national security of all the Americas" if it clipped his wings in El Salvador and Nicaragua. The unusual Presidential address to a joint session of Congress achieved a short-term (and perhaps temporary) gain; two potentially damaging votes on military aid to San Salvador and clandestine operations, no longer very secret, against the Sandinist regime. Members of Congress normally duck rather than challenge Presidential judgment on security matters.

But Mr. Reagan offered no new ideas and his key aides acknowledged the need for a protracted military struggle before essential political and social change could begin to take root. Finishing a demand by Congressional Democrats for a new high-level envoy to explore negotiating prospects in El Salvador, the President named an Ambassador at Large, former Senator Richard B. Stoen, a conservative Florida Democrat and former registered lobbyist for an earlier right-wing Guatemalan military regime. "The odds are long," Mr. Stoen said, assessing his peace-making assignment. "The war is going to go on for quite a while yet," agreed his colleague in San Salvador, Ambassador Deane R. Hinton,

partly because aid has been "too little, too late." As for Washington's insistence on a cleanup of human rights abuses by the Salvadoran military, Mr. Hinton said that could take years or even a "generational change." (The view from San Salvador, page 2.)

Despite Mr. Reagan's appeal for bipartisan support, Representative Clarence D. Long, Democrat of Maryland, said his appropriations subcommittee would wait several weeks before moving on Administration requests for \$80 million more in military aid for El Salvador. "Whether they get any additional funds will depend on the performance of the negotiator on achieving the peaceful settlement, including elections," Mr. Long said.

The Senate Foreign Relations Committee held up voting on Salvadoran aid — allowing time, said Chairman Charles H. Percy, Republican of Illinois, to "mull over" the President's appeal. And the House Intelligence Committee postponed a scheduled vote on halting covert operations supported by the Central Intelligence Agency in Nicaragua. However, Massachusetts Democrat Edward P. Boland, the committee chairman, claimed "sufficient votes" to adopt the ban. (Keeping Tabs on Intelligence, page 2.)

Speaking for Congressional Democrats, Senator Christopher J. Dodd of Connecticut called the President's military emphasis "a formula for failure." At the United Nations, chief delegate Jeane J. Kirkpatrick found Mr. Dodd's critique "irresponsible."

The President reiterated Administration contentions that Nicaragua was "helping Cuba and the Soviets to destabilize our hemisphere." Turning the speech to its own uses, the Sandinists broadcast it with simultaneous Spanish translation and called tens of thousands of Nicaraguans into the streets to shout anti-American protests. The Salvadoran guerrillas' response was to step up attacks in three provinces near the Honduran border.

Quieter objections may carry farther. Without mentioning Mr. Reagan's name, Mexican President Miguel de la Madrid attacked the "elemental falsehood" of putting the region's struggles in an East-West context and Brazil's President João Figueiredo said United States policies were undermining Central America's right to self-determination. But Honduran President Roberto Suazo Cordova and Costa Rican President Luis Alberto Monge praised Mr. Reagan's speech as "very convincing."

A Report Bombs In Argentina

As a fiasco, it may not rank with the Falklands invasion. Nevertheless, the report issued last week by the Argentine military on its role in exporting leftist subversion during the 1970's angered a lot of people who had counted on more frank detail on how thousands of Argentinians had disappeared than the armed forces were willing to admit.

President Reynaldo Benito Bignone's military regime is due to give way to civilian rule after elections this fall. But all those people still unaccounted for after being caught years ago in a net of what has been called "state terrorism" weigh heavily on the country. As one of the regime's last acts, political and labor leaders, church-



President Reynaldo Benito Bignone

men and civil rights groups had demanded an accounting. What they got was a defense of the military actions as legal and necessary to defend the nation. All actions by military and police forces were called "acts of service" carried out under orders. While the report acknowledged that these forces "might have trespassed the limits of respect for fundamental human rights," it asserted that "only history can judge with precision who is directly responsible for unjust methods and innocent deaths."

Apparently fearful that a civilian government might not wait for history, the military is believed to be planning to put through a law confining prosecution of military or police personnel to military courts only. This is expected to stir further trouble, particularly if a new government seeks to stifle down such a stipulation and insist on seeking justice in civilian courts.

The report promised a list from the Interior Ministry of those missing people about whom inquiries have been made since 1974, with indica-

tions of which cases have been cleared up. Court suits for information cover only 6,000 cases whereas the total missing may run to more than 20,000, according to some opposition groups.

Those missing are believed to include 300 people of Italian origin and Italy's President Sandro Pertini, in a scathing telegram to Buenos Aires released yesterday, attacked the "chilling cynicism" of the Argentine report.

East Harlem to Livingston St.

Anthony J. Alvarado preaches an educational philosophy based on the "expectation of success," but he doesn't always practice it. A month ago, he did not believe he had the slightest chance to become New York City's next Schools Chancellor. Two weeks ago, he was congratulating Deputy Mayor Robert F. Wagner Jr. on getting the \$85,000-a-year post. But last week, following Mr. Wagner's surprise rejection by the State Education Commissioner and several tumultuous meetings of the Board of Education, Mr. Alvarado found himself succeeding Frank J. Macchiarola as head of the nation's largest school system.

The 40-year-old leader of an East Harlem community school board said his first task would be to "talk to as many people as possible who may have been discouraged by the process" — a reference to the bitterest campaign for Chancellor in recent memory. Mayor Koch had backed his deputy and minority organizations rallied around Mr. Alvarado, who is Hispanic, and Dr. Thomas K. Minter, the deputy chancellor for instruction, who is black. As late as Wednesday officials were still debating whether to challenge Mr. Wagner's disquali-

fication, but the following morning the Deputy Mayor himself concluded that continuing as a candidate would only have "added to the tensions." With Mr. Wagner out of the race, Mr. Koch threw his weight behind Mr. Alvarado, predicting he would "become a great Chancellor." Some, but not all, of Dr. Minter's backers also praised his selection.

Mr. Alvarado won't need state approval, since he has more than the required educational experience. Indeed, Community School Board 4, which had the lowest reading scores in the city when Mr. Alvarado took over a decade ago, now is 15th out of 32, and his innovative mini-schools, each devoted to a particular subject, actually have attracted students to one of New York's poorest areas. Mr. Alvarado stresses his efforts to instill a sense of accomplishment in both pupils and teachers as a key to success; others cite the fact that he has repeatedly exceeded his budget, running \$1.6 million in the red last year. Little wonder that Mr. Koch advised the new Chancellor to hire a "top-notch education-finance team." (Facing dug-in power blocs, page 6.)

Mrs. Thatcher's prospects

Poland's economy

3

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The World

A Slow Shuttle To Agreement In Lebanon

Secretary of State George P. Shultz said before arriving in the Middle East last week he would stay as long as necessary to get agreement for withdrawal of Israeli forces from Lebanon. Later, Mr. Shultz was reporting progress by the "inch" or even less. At that rate.

Along well-travelled air routes between Lebanon and Israel, he shuttled in search of an understanding that would eventually get all foreign forces out of Lebanon, satisfy Israel's need for security and restore a semblance of sovereignty to the Lebanese Government. This, the Administration hoped, would clear the way for a renewed effort to achieve an overall Arab-Israeli settlement involving the Palestinians in the West Bank and the Gaza strip.

The security problem, on which some progress appeared to have been made before the Secretary's arrival, revolved to a large extent around the role of Maj. Saad Haddad, the militia commander in the south who has been backed and supplied by the Israelis but who is considered a renegade by the Lebanese Government. Israel had wanted him to remain in charge of security but last week they seemed to soften their stand by calling for a "leadership role" for him, possibly as a deputy commander. Yesterday, Mr. Shultz transmitted this shift to the Lebanese who have been reluctant to give the major any role at all.

Each side was counting on Mr. Shultz to exert leverage on the other. He was putting pressure on both for a quick agreement on the ground that time might be running out. All the parties were concerned about the attitude of the Syrians who, newly reinforced with Soviet weapons, might, it was feared, refuse to withdraw in conjunction with an Israeli pullout. A senior Lebanese official said there had been "some hardening of the Syrian position."

Israeli officials emphasized to Mr. Shultz the extent of the Syrian buildup — \$1.5 billion worth of Soviet equipment since the end of the war in Lebanon in September — as an argument in favor of direct Israeli involvement in security in Lebanon. But the continued presence of some Israeli forces, another issue not completely resolved, might give Syria an excuse to remain behind.

Mr. Shultz said he planned to visit Damascus as soon as he had made "genuine progress" in the negotiations on Israeli withdrawal.

Socialists Win In Lisbon, Vienna

Europe's Socialists won two national elections last week but one of their stars, Austrian Chancellor Bruno Kreisky, resigned anyway. The Socialists came in first in Austria and Portugal where Mario Soares will return as Prime Minister after five years in opposition.

The Imperious Dr. Kreisky, known as "Kaiser Bruno" during his 13-year reign, made good his threat to resign if his party lost its absolute majority in Parliament. They dropped five seats when two small environmental parties cut into Socialist support. The 72-year-old Chancellor, whose health was also an issue, consigned the "frustrating, tiring exercise" of coalition leadership to his deputy and Education Minister, Fred Sinowatz, who is 54. The Chancellor-designate is a trade unionist with a flair for the consensus politics that has kept Austrian unemployment under 5 percent and inflation below 6 percent.

Both Dr. Kreisky and Mr. Soares, who is 58, are vice presidents of the Socialist International and statesmen with influence beyond the borders of their small countries. Dr. Kreisky is an apostle of East-West détente and supports Palestinian nationalism (despite his Jewish family origins). Mr. Soares headed Socialist International missions to Central America and the Middle East; his credentials



Socialist Party members celebrating in Lisbon last week.

may also be helpful in moving African Marxist regimes in Portuguese-speaking Angola and Mozambique away from the Soviet orbit.

Friendly to Washington, he will face two principal strategic issues: renewal of American bases in the Azores and requests for new bases on the Portuguese mainland to service the United States Rapid Deployment Force en route to the Persian Gulf.

Mr. Soares promised Portugal "100 measures for 100 days" to restore firm direction at the top after three years of drift under a feuding center-right coalition. Hoping to halt the revolving door that had 14 Governments in and out since the 1974 revolution, Mr. Soares was expected to seek out the second-place Social Democrats as coalition partners.

An Election for Turkey

Turkey's military rulers last week promised to hold elections on Nov. 6 to restore civilian government. Gen. Kenan Evren, who heads the regime that seized power in 1980 and suppressed rampaging violence, called for new broad-based parties that could command a stable majority in the new Parliament. Despite a ban on political activity by 100 former party leaders, many would-be candidates were visiting them to seek support. In Washington, the State Department welcomed "substantial progress on the road to establishment of full democratic government in Turkey."

Nobody Here But Us Fish

The Soviet navy, submarine division, has been showing extraordinary curiosity about Nordic waters at least since 1981, so last week, having had enough, the Swedes dropped a diplomatic depth charge and yesterday the Norwegians were dropping real ones.

Norway announced that after making sonar contact with a submarine in Hardanger Fjord, two frigates launched salvos of underwater missiles and a depth charge at the intruder. "The navy is not joking," an officer said in Oslo. Moreover, Norway's Ambassador will not be attending the May Day parade today in Moscow.

Sweden, going further, temporarily recalled its Ambassador and Prime Minister Olof Palme, "very firm but not hysterical," told the Russians Sweden would sink any submarine entering territorial waters without permission.

Mr. Palme's exasperation — he usually goes out of his way to avoid offending Moscow — stemmed from the report of a commission that investigated a still mysterious incursion by foreign submarines in the Swedish archipelago last October. Although lacking firm proof, the commission said technical and circumstantial evidence pointed to six Soviet submarines, including three midget submarines, one of which one could crawl on the sea bottom with tank-like treads. The Soviet news agency Tass indignantly denied "any foundation to these allegations."

In October 1981, a Soviet submarine ran aground and remained stranded for 10 days near the Swedish naval base of Karlskrona. The commission noted 40 incidents of "an increasingly provocative character" involving foreign submarines in 1982 and officials cited at least two more this year. The Government, seeking to protect Sweden's long standing neutrality with its powerful neighbor, seemed uncertain about Soviet motives. Mr. Palme suggested "a form of espionage" but the chief of the defense staff, Adm. Bror Stefenson, thought the Soviets were simply testing new equipment. The new midget submarines are estimated to be 50 feet in length, manned by crews of two to five men and able to remain submerged for long periods.

Spain Imposes Civilian Justice

Spain's generals and admirals last week lost their venerable claim to separate and often lenient justice. In a bold assertion of civilian ascendancy, the Supreme Court in Madrid sharply increased the prison sentences military judges had given 22 officers who botched a 1981 attempt to overthrow the Government.

The court added 24 years to the six-year term of one ringleader, Gen. Alfonso Armada Comyn, an aide to King Juan Carlos under the Franco dictatorship, and confirmed 30-year maximum sentences for two other coup leaders. Eight junior officers who had been acquitted were jailed for one or two years.

Last year, when former Prime Minister Leopoldo Calvo Sotelo's centrist Government appealed the military sentences, speculation about new right-wing coup attempts was common. Prime Minister Felipe González, whose Socialists swept last fall's elections despite dire warnings of military and civilian right-wingers, said the Supreme Court had "closed a painful chapter in Spain's history in an extraordinarily clear manner."

Milit. Freudenheim and Henry Glinzer

How the Reagan Speech Played in San Salvador

Is a 'Magnificent Moment' Slipping By?

By STEPHEN KINZER

SAN SALVADOR — In a modest suburban living room last week, underground representatives of two leftist parties said recent leadership changes in the Salvadoran Army and the guerrilla movement make this "a magnificent moment" for talks among El Salvador's warring factions.

With the death last month of the radical and "intransigent" guerrilla chief, Salvador Cayetano Carpio, one of them said, "the road is easier." The commander who may now become the key guerrilla strategist, Shafik Handal, is "a man who can be talked to," he added.

The two politicians recalled that Mr. Handal, as leader of the small legal Salvadoran Communist Party, supported center-left candidates committed to peaceful political reform in two crucial elections. In 1972, he backed José Napoleón Duarte, a Christian Democrat, and in 1977, another opposition candidate, Col. Ernesto Charamonte. Both were believed to have won but each time the military intervened, withholding the presidency. "Many of our people are in Mariona prison today," one of the underground politicians said. "Let them be released, and maybe it will be the beginning of something. Now that Carpio is in his grave, many things are possible." His companion added a surprising observation. The new Salvadoran Defense Minister, Gen. Carlos Eugenio Vides Casanova, and his chief of staff, Col. Rafael Flores Lima, are "the most gentlemanly" of the country's top officers, he said. "A combination of factors makes serious dialogue more possible now than it was 15 days ago."

Calls for efforts to bring about negotiated peace have recently been renewed. In his homily last weekend, Auxiliary Bishop Gregorio Rosa Chavez said the time had arrived for opposing groups to use "creative imagination and good will" and to show "the courage to make decisions that will resound in favor of peace." Mr. Duarte, who will again be the Christian Democratic presidential candidate in elections late this year, said in an interview last week that "only one door to peace is open. That door is dialogue." And Mr. Duarte's 1972 running mate, Guillermo Manuel Ungo, who left the country to head the guerrilla's political arm, the Democratic Revolutionary Front, said in Costa Rica that he was "ready to talk tomorrow" with Salvadoran leaders.

Despite signs of a possible change of climate, few Salvadorans believe negotiations are likely. Resistance remains strong in the private sector, the military high command and the Reagan Administration. "The private sector has always opposed negotiations with the terrorists, and we continue to do so," said Juan Vicente Maldonado, executive director of the influential National Private Enterprise Association. Like many Salvadoran businessmen and politicians, Mr. Maldonado was angered by Representative Clarence D.



Political prisoners in Mariona prison in San Salvador.

Long's recent insistence that President Reagan name a special envoy to press for a political solution. The Constituent Assembly unanimously condemned Mr. Long's proposal and the Chamber of Commerce called it "offensive and humiliating." But when Mr. Reagan announced to a joint session of Congress last week that he was naming an "Ambassador at Large" for Central America, Mr. Maldonado was not displeased. The President, he said, had "outmaneuvered" the Democratic Congressman. By appointing an ambassador to deal with the entire region, not only El Salvador, Mr. Maldonado concluded, Mr. Reagan was maintaining his policy of "rejecting negotiation with the ultraleft."

Government and business leaders had recently warned that they would not tolerate further American conditions on military aid. But resentment was apparently eased when Mr. Reagan did

not stress rights violations or military abuses. President Alvaro Magaña praised the United States for respecting "our decisions, orientations and solutions." Admittance to a negotiated solution has been largely based on the conviction that the rebels would uncompromisingly use any power they obtained to subvert the established order, attack private enterprise and replace the military establishment with radical guerrillas. Guerrilla leaders have promised "real agrarian reform," a "people's army" and punishment for those responsible for "genocidal repression." Nicaragua, generally portrayed as a police state, is cited to show what could happen in El Salvador if guerrillas were allowed in the Government.

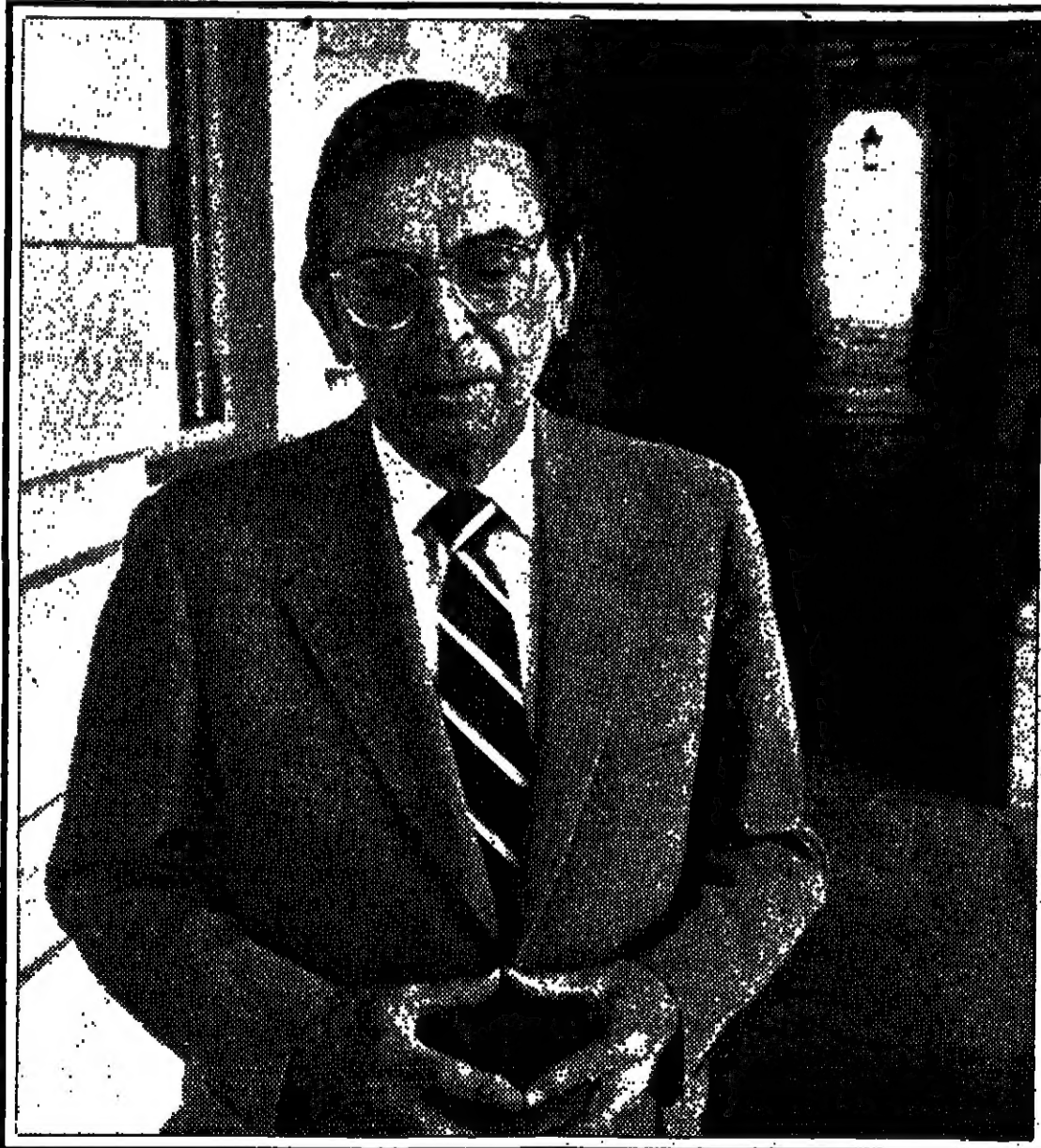
For their part, a Democratic Revolutionary Front spokesman, Alberto Arene, contended in a telephone interview from Washington that Mr. Reagan's speech was "a reaffirmation of the desire of the Administration to reach a military solution." He added, "We remain willing to negotiate without conditions, even though we are making progress on the battlefield."

Rebel forces have indeed scored military successes in recent months. A relief worker who travels regularly to outlying villages in the north said, "The impression you get is that things are steadily becoming more favorable to the guerrillas. The army doesn't seem to be doing a whole lot." In the strategic central province of Usulután, a gasoline station attendant agreed that the army's position appears to be "much worse" than in January. "Outside of the towns where there are military bases," he said, "the guerrillas can go anywhere. They walk cross-country, while the army troops stay on the main roads."

But the American Ambassador, Deane R. Hinton, insisted in an interview that military setbacks would never push the United States into supporting negotiations with the guerrillas. That, he said, would be "as though the Government of the United States were to decide that because the drug Mafia was so powerful, the only way to get them to stop what they're doing is to turn over the Department of Justice to them. It's ridiculous. The fundamental premise of democracy would be violated." Mr. Hinton was not sanguine about the prospects for an early end to the fighting. "Looking at it today," he said, drawing a deep breath and sighing, "one would think it's going to be long-term."

House Intelligence Panel to Vote on Covert Aid This Week

Boland Is Center Stage, Like It or Not



Representative Edward P. Boland at the Capitol last week.

By STEVEN V. ROBERTS

WASHINGTON — As President Reagan was walking down the center aisle of the House Wednesday night, Representative Dan Rostenkowski threw his arm around Representative Edward P. Boland and, catching the President's eye, pointed playfully at the Massachusetts Democrat. Mr. Boland squirmed uncomfortably at all the attention as his colleagues laughed.

That moment may have summed up the career of Mr. Boland, the chairman of the House Intelligence Committee since it was created five years ago. In more than 30 years on Capitol Hill, he has shunned publicity with the same vigor that most lawmakers search for it, but the rising Congressional clamor over Administration policy in Central America has thrust Mr. Boland into the national spotlight.

He was the author of an ambiguous amendment adopted last year barring the use of United States aid to "overthrow" the government of Nicaragua. On Tuesday, his committee is scheduled to consider a tougher rider, co-authored by Mr. Boland, intended to end all covert American operations

aimed at the Nicaraguan regime. Mr. Boland, who predicts that his panel will approve the ban, notes that he is so uneasy in this new role that he has trouble sleeping these days, and he asked colleagues if the new amendment could be named after someone else.

"Who the hell knows me in San Francisco or New York?" said Mr. Boland, who is a vigorous 72 and works out daily in the House gym. "I would prefer to remain anonymous. This kind of thing gives me visibility I don't cherish and I don't seek." This penchant for the shadows is not just a personal quirk, Mr. Boland says, but a necessity for a man who reads classified reports daily and heads a committee that helps oversee the nation's secret intelligence operations.

"In this committee," the chairman noted, "we don't brag about our successes, but we sure as hell hear about our failures." If intelligence matters require discretion, Mr. Boland believes, they also require bipartisan cooperation, and one of his favorite words is "consensus." This respect for differing opinions was demonstrated on Thursday, when the chairman agreed to put off a vote on his amendment because Republicans protested that it was being rammed through with insuffi-

cient notice. Also a seasoned politician, Mr. Boland worried that hasty action could make his committee, and his party, "look bad."

But in his search for consensus, Mr. Boland is pulled in two directions. As Intelligence issues have entered the political arena, the committee has inevitably become more partisan. Representative C. W. "Bill" Young, Republican of Florida, says he often has "very strong differences" with Mr. Boland's handling of the committee, and accuses him of taking a "one-sided" view on some issues that are too critical of the Federal Government. Younger Democrats sometimes find the chairman too supportive of the Administration. Like many of his generation, Mr. Boland was shaped by the experiences of World War II, and he approaches his job with a keen sympathy for the value of intelligence operations.

Mr. Boland was also one of the main sponsors of the bill that established the Intelligence Committee, because he was concerned that earlier arrangements, which gave several panels jurisdiction over secret matters, led to what he regarded as serious leaks. And he was hand-picked for the chairmanship by House Speaker Thomas P. O'Neill Jr., who shared an apartment with Mr. Boland during their early years in the House and still shares his generational perspective.

A Willingness to Cooperate

"Eddie Boland tends to be of the old school," said one liberal Democrat from the Northeast. "He sees his role as being supportive of the Administration, and he gives a strong benefit of the doubt to the Administration. He's less skeptical than some others, and that's why he was chosen to be chairman. Eddie reflects how things used to be, before the turmoil surrounding the Central Intelligence Agency about abuses in the past."

Asked about this comment, the chairman replied heatedly, "Boland is not of the old school." But he acknowledged the differences between himself and some of the younger members. "I think there's more of a willingness and a desire to cooperate on my part and get along with different Administrations," he said. "I think there's a responsibility on the part of the chairman to cooperate with any Administration that's in."

Interestingly enough, junior members of the committee were the first ones to insist that the Boland Amendment was being violated. The chairman agreed with their judgment only reluctantly, and even now says that he is able to see arguments on "both sides."

Similarly, Mr. Boland was not originally in favor of a bill to thwart all covert operations directed against Nicaragua, and again, found his hand forced by younger lawmakers. As it is, some analysts wonder whether the new Boland proposal, co-sponsored by Representative Clement J. Zablocki, the Wisconsin Democrat who chairs the Foreign Affairs Committee, will firmly close the door against covert activities. They point out that the first Boland Amendment left some large loopholes for the Administration.

Indeed, Mr. Boland says that he is in "complete sympathy" with the Reagan Administration's efforts to deter Communist expansion in Central America. And while he does not support all of the White House's tactics, he does agree with the President that "the United States has a vital interest in the area."

The Intelligence Committee is not Mr. Boland's only legislative responsibility; he is the second-ranking Democrat on the Appropriations Committee. But for now, it is the Intelligence panel that has him in the House gym many mornings by 6 A.M., riding an exercise bicycle and worrying about the intelligence reports that collected while he slept. Or tried to sleep.

The Nation

Tracing Some Consequences Of Social Policy

In the two years since Congress acted on what it took to be the Reagan mandate for limited Government and a less dependent people, there has been intense debate about how the poor could cope under the cutting edge of the Reagan budget. Last week came some hard data on the effect of legislative, economic and social changes — not all but mostly the result of the Reagan program. Predictably, it provoked as much argument as it provided conclusions.

A report on the fate of welfare recipients with earned income — those generally referred to as the "working poor" — concluded that a majority of the members of the 237,000 families with earnings ousted from the rolls by the Omnibus Budget Reconciliation Act of 1981 did not return to public assistance. The study of 1,623 case records from 27 states was commissioned by the Administration from the Research Triangle Institute in North Carolina and was heralded by Secretary of Health and Human Services Margaret M. Heckler as proof positive that tightening welfare eligibility did not undo the economic advantage of holding a marginal job. But Thomas C. W. Joe, a welfare official of the Nixon Administration who is now director of the Washington-based Center for the Study of Social Policy, was cautious. "A major problem," he said in his own recent study, "is the data; state systems are not designed to document the impact of policy changes."

Testimony before a special House committee by Congressional Budget Office director Alice M. Rivlin on a related matter, the effects of economic conditions on children, reinforced the point. More than one-fourth of all children in America now live in near-poverty, Mrs. Rivlin said, calling the increase of the last three years dramatic. With Federal welfare benefits declining "significantly," she added, "the number may continue to increase." But the major factors, Mrs. Rivlin said, are high unemployment and the rise in single-parent families.

Other witnesses, including children themselves, testified on educational levels and crime. The Research Triangle report did not formally consider quality-of-life matters. But it did say that the medical needs of some families removed from welfare "may not be met," since only a small fraction stayed covered by Medicaid, a companion program. On Capitol Hill, White House Budget Director David A. Stockman addressed another side of the coin — health care for the unemployed. The Administration's position, he said, was not to spend any Federal dollars. But it would be willing to require employers who deduct their contributions to employees' health plans to offer health insurance to laid-off workers, but only if the workers paid the premiums. A half-dozen measures that would provide a wide range of health benefits for the jobless have already been introduced in Congress.

Libya Probe Claims a Victim

Yet another of Tripoli's tentacles came to the surface in Washington last week. A Federal grand jury indicted Waldo H. Dubberstein, a former Defense Department intelligence officer, charging him with passing military secrets to Edwin P. Wilson, the renegade Central Intelligence Agency operative, and to other agents of the Libyan government.

The indictment said that in exchange for \$32,000 Mr. Dubberstein had, among other things, traveled under an assumed name to Tripoli in the spring of 1978 and discussed the deployment of military forces in the region with Libyan intelligence officers. At the time, authorities said, Mr. Dubberstein, who was a research specialist for the Defense Intelligence Agency until his retirement in March 1982, had access to highly classified data gathered by the Government's vast array of electronic intelligence-gathering devices.

The day following his indictment, and five hours after he was due in court for arraignment, Mr. Dubberstein, who was 75 years old, was found dead in the basement of a suburban Virginia apartment building. Authorities said that Mr. Dubberstein had apparently shot himself in the head with a shotgun.

Gone But Not Forgotten

As a Senate committee was preparing for this week's confirmation sessions with William D. Ruckelshaus, nominated to head the Environmental Protection Agency, a House panel took steps to force a former agency official to testify.

The Energy and Commerce Committee voted unanimously to recommend that the House cite Rita M. Lavelle for contempt of Congress because she twice failed to respond to a

subpoena. The committee chairman, Representative John D. Dingell, a Democrat from Michigan, said his panel might not pursue the contempt proceedings if Miss Lavelle, the assistant administrator of the agency's toxic waste program until she resigned last month, "comes forward and cooperates." The committee and three other House panels are looking into, among other things, an array of charges that center on the agency's operation of a \$1.6 billion hazardous waste cleanup program. James J. Bierbower, Miss Lavelle's lawyer, calling the committee vote "unfortunate," said his client hadn't appeared before the panel because she hadn't been allowed to review agency documents she might be questioned about.

Altogether, 14 high-ranking E.P.A. officials, including Administrator Anne McGill Burford (whom the House cited for contempt in December), have either been fired or have resigned under pressure. Early last week, Steven Durham, a former amusement park operator who was head of the agency's Denver office, turned in his papers. Mr. Durham's departure — motivated by a desire to return to the private sector, his letter of resignation said — had been expected. He had been broadly attacked for overturning staff decisions and for failing to take sufficient interest in cleaning up toxic waste.

It seems likely that in his confirmation hearings this week Mr. Ruckelshaus would be questioned about a series of letters and speeches — whose contents were disclosed by an environmental group — urging a substantial relaxation of clean air standards and a revamping of the agency. "As the first administrator of the E.P.A.," he wrote to Vice President Bush early in 1981, "I am largely to blame for most of the bad things done to business by environmental regulation over the last decade."

One Basket for Foreign Trade?

In the matter of the United States' import-export difficulties, the Reagan Administration last week did a classic bureaucratic turn: It reorganized its organization chart.

In what looks like a switch on previous tendencies (President Reagan has proposed dismantling the Energy Department and dismembering the Education Department), Congress soon will be asked to consolidate import-export operations in a new Department, that of International Trade, which would take over functions now performed at Commerce, in the Office of the United States Trade Representative and other Federal nooks and crannies.

There are two hitchhikes. One is political. The plan dramatizes the importance of foreign trade to the domestic economy; exports and imports of goods and services make up 22 percent of the gross national product. But it does involve abolishing the Department of Commerce, whose separate agencies, and the Office of the Trade Representative, which has powerful constituencies in key Congressional committees. That is the kind of process that has preserved Education and Energy.

Other problems are conceptual. The plan, similar to one put forward by Senator William V. Roth, Jr., the Delaware Republican who has been a chief promoter of trade consolidation, does not include agriculture, which accounts for one-third of the trade share of G.N.P. Some critics, including Senator Daniel Patrick Moynihan, Democrat of New York, who has a broader scheme giving Commerce all trade responsibilities from a score of departments and agencies, called the White House plan "a step in the right direction." Others, such as John C. Danforth, Republican of Missouri, noted that reorganization was not the same thing as "substantive thinking."

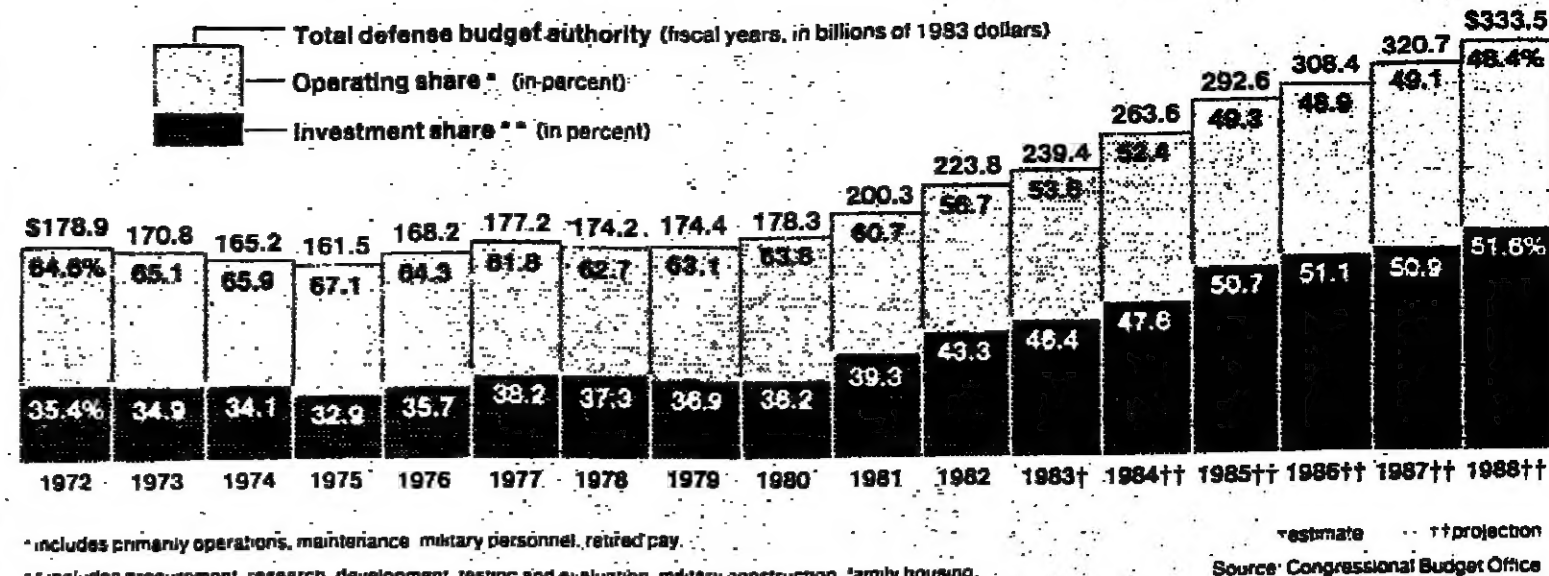
Made Stronger By Adversity

To no one's surprise, and by the tally to the disappointment of a very few, San Francisco's Mayor last week won a special election on which there was a lone ballot question: "Shall Diane Feinstein be recalled from the office of mayor?" Of the 158,789 votes cast, 80 percent were "No's."

Even in the exotica of San Francisco's politics, the recall drive had a special tone. Begun by the 20-member White Panther Party, outraged by a gun control ordinance (later invalidated) that they said would have left the poor defenseless, it also was picked up by those unhappy with Mayor Feinstein's veto of an ordinance that would have extended city employee fringe benefits to live-in lovers and her refusal to support a strict rent control ordinance. Still others were critical of what they considered her close relations to business interests. Mrs. Feinstein raised \$400,000, mostly from business, to combat the recall drive; she stands for re-election in November. Her opponents reported raising \$5,170.

Michael Wright
and Caroline Rand Herron

Military investments: a growing share of a growing pie



Foes Say Defense Budget May Disarm the Economy

By EDWARD COWAN

WASHINGTON — To a Marxist, it must seem paradoxical. America's industrial sector is reeling from recession. As last week's report that the index of leading economic indicators rose 1.5 percent in March demonstrated, a recovery has begun, but its vigor and staying power are uncertain. There is pervasive slack — in steel, shipbuilding, aircraft production, mining, construction. Unemployment exceeds 10 percent and may be close to that level when the voters elect a President and new Congress 18 months from now. And yet the 98th Congress is refusing to give President Reagan all the money he seeks for national defense, money that presumably would help move the economy towards full employment.

How much defense money to put into the 1984 Congressional budget resolution will be a highly charged issue in Senate floor debate on the budget, which starts tomorrow. With the Republican majority divided on defense and on how much to raise taxes — a nine-Senator working party created last week to seek a consensus position on the floor had an inconclusive meeting Thursday — it is already plain that Mr. Reagan will have to settle for less than the \$280.5 billion of military spending authority he requested. The House-passed budget gave Mr. Reagan \$283.85 billion; the Senate Budget Committee approved \$267 billion, a figure the Senate leadership will try to raise this week.

Differences on the military budget and taxes are partly a partisan matter. But there is more to it. Many Republicans feel that the President's military build-up is too much for a body politic being asked to give up Federal help in education, health, housing and nutrition, for a Federal budget that is running \$200 billion in deficit and for a Defense Department that is increasingly

seen as corrupted by its own riches. "More money for the Defense Department guarantees that the structural nightmares that we know will continue," says Senator Charles E. Grassley.

By "nightmare," the conservative Republican from Iowa meant cost overruns on new weapons and overpayment for mundane items, such as the Pentagon's purchase of a \$12 machine part for \$250. Senator Grassley, who favors freezing the entire Federal budget, says the way to make the Pentagon lean is to stop giving it more.

Repeatedly, Defense Secretary Caspar W. Weinberger has told Congress that when it comes to defense, there is no question of what America can afford — only what it needs for national security. Many members of Congress don't accept that — or, if they do, they are not ready to accept the Administration's definition of what is needed.

In Search of a Rationale

They share the view of a bipartisan group of six former Cabinet officers brought together by Peter G. Peterson, Secretary of Commerce for President Nixon, who contend there is no official rationale for what the six see as an overly long shopping list. There is "unnecessary duplication and redundancy" and "marginal or questionable military missions," the Peterson group asserted in March in a nine-page letter to William C. Clark, the President's national security adviser. The letter makes the kind of detailed analysis of defense spending requirements that Congress has tried unsuccessfully to elicit from Mr. Weinberger.

Finally, there is unease in some quarters that the military build-up may be bad for the economy, if not now then in two or three or four years. Now, there is plenty of spare capacity and briskly rising defense spending is a positive force for expansion. But by the middle of the decade, the civilian economy presumably will be operating closer to capacity, and an inflation-producing

collision — a competition for plant capacity and skilled labor — could occur. "A surge in investment — which is characteristic of an average cyclical recovery — could overextend the high-technology industries, which are already forecast to be operating at rather high rates in 1983," a new Congressional Budget Office analysis concluded.

The author, Lawrence R. Forest Jr., notes that a growing share of defense spending is for investment, mainly procurement that involves multi-year production and spending, and that Washington might find it hard to moderate such spending in an overheated economy. But Mr. Forest's 73-page analysis, "Defense Spending and the Economy," is similar to that of a Commerce Department study issued last August. The Forest report finds that "the Administration's proposed defense buildup should neither rekindle inflation nor stunt employment growth over the next few years."

A less sanguine evaluation, "Military Expansion, Economic Decline," is scheduled for June 7 publication by the Council on Economic Priorities, a New York-based public policy organization that takes an adversarial attitude toward big business. Robert W. DeGrasse Jr., a 1976 honors graduate of Stanford who is the principal author, finds that military spending creates fewer jobs, and very few for unskilled workers; channels research into lines that "have few commercial applications," crowding out nonmilitary research, and retards productivity growth and inhibits overall economic growth.

Quinn Mills, a Harvard manpower expert, worries that the military build-up will aggravate what he says is a shortage of electronic engineers now. "People are unable to get into the business of designing, producing and selling computer systems because of the shortage of people who can do that kind of work," he reports. Mr. Forest finds that defense spending has "adverse and beneficial effects on private-sector productivity" and probably does create fewer jobs than nondefense spending, because of defense companies' higher pay and profits. Overall, he asserts that Government can deal with such problems by "other policies" and by coming on what he views as the quick response time of electronics and other industries to expand and adapt. So, he concludes, decisions on military spending should rest chiefly on "considerations of national security and priorities for the use of resources."

Administration Land Sale Was Hotly Debated Last Week

Just Who Owns Federal Coal Anyway?

By PHILIP SHABECOFF

WASHINGTON — The Reagan Administration has provided a rich vein of benefits to the nation's coal industry, if not quite the bonanza for which the operators were hoping. But to a growing number of critics, the vein has been too rich by far.

Last week, the Administration's expanded coal leasing program, which makes vast tracts of Federal lands in the west available to coal companies, came under attack from the House Appropriations Committee's Subcommittee on the Interior. A committee study charged that the Administration was giving away public lands to the coal industry at "fire sale" prices at a time when there already is a glut of Federal coal.

Since James G. Watt became Secretary of the Interior, his department's Office of Surface Mining has made dozens of changes in the rules regulating surface mining, changes that environmentalist groups, farmers, ranchers and local communities have said is stripping away hardwon protections from the land.

Nor are the surface mining rules being enforced, according to an attorney recently dismissed from the agency's solicitor's office. Vincent A. Laubach, who was hired by the Administration to go after violators of the surface mining law, said last month that the Office of Surface Mining was filing virtually no criminal actions against willful violators and was delinquent in collecting millions of dollars in penalties and fees.

Mr. Watt and his associates defend their coal programs as designed to provide adequate, inexpensive energy to the nation while continuing to protect the environment. Critics of his coal and other energy programs, Mr. Watt said last week, are seeking to "centralize power in Washington." In fact, Mr. Watt's coal leasing policies do reflect the Reagan Administration's basic view that the public's property and resources would be better utilized in private hands and that Federal intervention in the free market should be reduced or eliminated where possible.

For industry, the policies that have emerged from this philosophy have been a blessing, albeit somewhat mixed. According to A. Denny Ellerman, executive vice president of the National Coal Association, the industry's trade group, "The regulatory onslaught has been stymied; we do not face a new horror story every day."

One important manifestation of the change, he said, has been the Administration's refusal to back a new regulatory program to deal with acid rain, which many scientists have said is killing freshwater life and damaging crops and forests in the Northeast and Canada. Coal companies and public utilities share the Administration's view that a program to reduce the sulfur emissions that may contribute to acid rain would create enormous expense when not enough is known about the acid rain problem.



Coal trains in Williamson, West Virginia.

While the Administration has not "gutted" the strip mining rules or other regulatory programs, Mr. Ellerman said, it has been flexible in letting industry reach regulatory goals in ways that conform to local conditions and at great savings in costs to coal operators.

The coal industry's great complaint about the Administration, he said, stems from its transportation policies — in particular, the backing away from legislation to build coal-slurry pipelines because of a reluctance to assert the right of Federal

eminent domain to acquire lands needed for the right of way.

Reagan appointees to the Interstate Commerce Commission, he said, have in effect deregulated the railroads, allowing them to raise prices for hauling coal even where the coal operators have no alternative. He also criticized the Administration for being "weak-kneed" in pushing for changes sought by industry in the Clean Air Act and for the deregulation of natural gas, which would help coal sales by raising the price of gas.

But Mr. Ellerman said that these failures were overshadowed by the Reagan Administration's overall economic performance, generally setting the stage for a sustained economic recovery. Over the past three years, the industry has been relatively static, with production remaining at some 800 million tons annually. But Mr. Ellerman said that coal had fared much better than many other industries which lost ground during the past recession. The large-scale leasing of Federal coal, he added, would help assure that coal prices remain low and thus competitive with other fuels.

'Bull in a China Shop'

Some analysts take a more critical view. Marc D. Cohen, an expert on the coal industry for Kinder Peabody & Co., Inc., said that "Watt is like a bull running loose through a china shop in his coal policies." The Carter Administration may have been too stringent in regulating the coal industry, he said, but Mr. Watt had swung too far in the opposite direction. The relaxed stripmining rules, he added, were producing wide abuses, particularly among small operators. Expanded coal leasing, he said, is almost totally unnecessary because there "is sufficient coal under existing leases to last for the next 20 or 25 years."

David Alberswerth, Washington representative of the Western Organization of Resource Councils, which speaks for western farmers and ranchers, said that the Administration's coal policies were taking away the right of people in the West to have a say in decisions involving their property and communities.

Edward S. Grandis, executive director of the citizens' mining project of the Environmental Policy Institute, added that the Administration's efforts to dismantle the strip-mining and land-leasing programs may well backfire against the coal industry in the form of opposition by local landowners and local governments that could lead to a new moratorium on Federal coal leasing. He noted that Mr. Watt's coal policies are already being assailed through the courts.

What the Reagan Administration's coal policies mean, according to L. Geoffrey Webb, a Washington representative of Friends of the Earth, a national environmental group, is that "massive amounts of public wealth are being transferred to private hands very quickly and very cheaply." Administration officials would say that such a result would serve the national interest.

The Explosion in Bank Deposits

By WINSTON WILLIAMS

CHICAGO CONTINENTAL BANK has a long history of turning up its nose at consumer banking, preferring to concentrate on commercial and industrial loans and relying heavily on borrowed money, rather than consumer deposits, to fund its loans. In recent years, that was just as well. Consumers, seduced by money market funds offering higher rates, abandoned not only commercial banks like Continental but also the nation's savings and loans.

But in the last five months, Continental has found itself flush with money — not from its borrowings on the world's money markets but from consumers. With the advent of the now-popular bank money market deposit accounts and the rush to invest in Individual Retirement Accounts ahead of the April 15 tax deadline, individual savers have poured billions — more than \$375 billion in fact — into the nation's banking system at a pace that has stunned the bankers themselves.

"We were more successful than we had planned," said Robert McKnew, Continental's senior vice president. "We didn't appreciate fully the mobility of funds — how high interest rates had sensitized individuals to the management of funds."

Ordinarily happy to get these deposits, many institutions are now perplexed about what to do with the money that's rushing in. The nation is still waiting for the recovery to get going. Business loan demand remains weak and consumers, still uncertain about the future, are cautious about taking on new debt. And the short-term investments available to the banks — Treasury bills and Federal funds — are not even yielding 9 percent, while the banks and thrift institutions are paying up to 8.75 percent to attract and keep the new accounts.

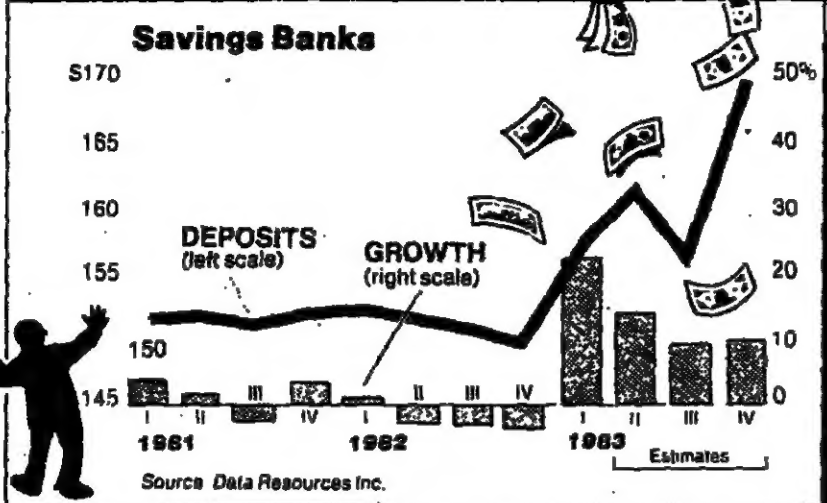
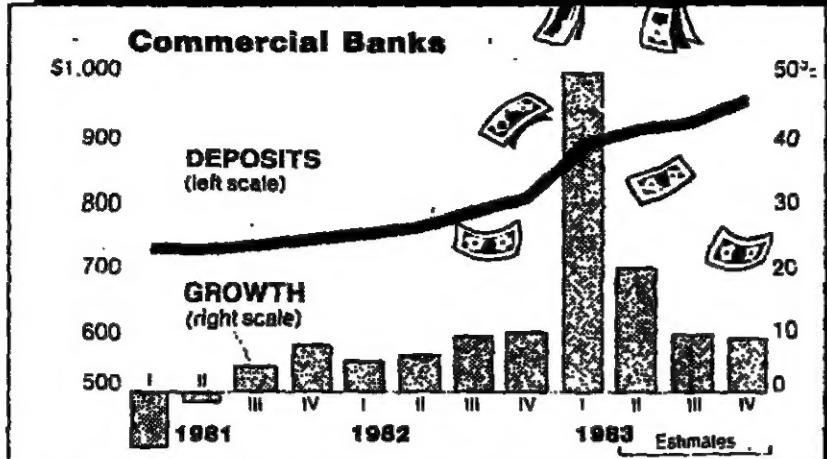
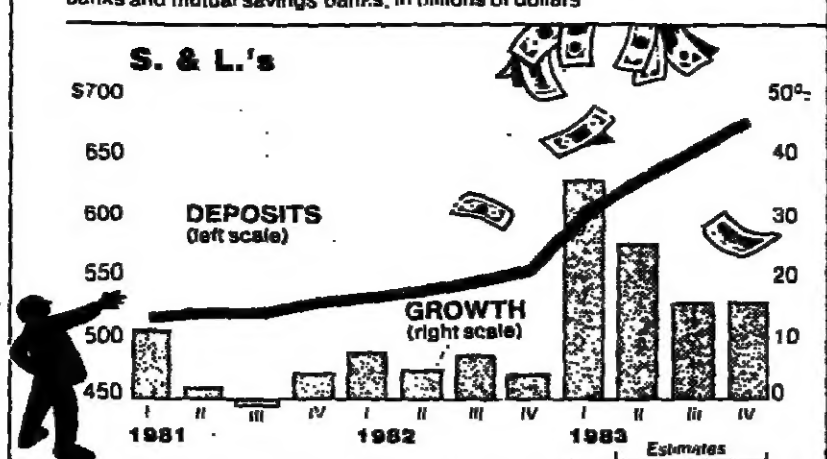
Many institutions caught in this bizarre squeeze are experimenting with investment and marketing alternatives they never would have dreamed of only a few months ago. Continental has decided that consumer loans are worthwhile after all, and is looking into variable-rate mortgages and higher credit card limits. New York State's largest thrift institution is also moving after new markets. The Gold Dome Bank for Savings, once limited to making mortgage and student loans, is now leasing computer equipment and financing company buyouts by management and employees. And Bank of America, trumpeting its new liquidity in radio and newspaper ads, is trying to create a borrowing stampede with its simple message: "We got the money."

It's all part of a different operating environment for banks and thrift units, a new era brought about in recent years by the gradual deregulation of the nation's depository institutions. As in the airline and trucking industries, the guinea pigs of business deregulation, the new-found freedom in the banking industry has led to brutal competition. Now banks and brokers-turned-banks are offering a seemingly endless array of savings instruments at ever-changing interest rates in an effort to draw money away from each other.

But the flood of deposits and the banks' drive for new business has yet to change the course of consumer loan rates. They have remained relatively high and are not expected to fall soon. Because of the high cost of attracting money into the new accounts — some banks initially offered as much as 21 percent to money market depositors — banks say they cannot afford to lower their loan charges. And some say that deregulation, which removed many ceilings on the interest that banks could pay to depositors, may be responsible for permanently higher loan rates.

Bank Deposits - The Flow Picks Up

Total deposits at the end of each quarter and the quarterly change in deposits at annual rates at savings and loan associations, commercial banks and mutual savings banks, in billions of dollars



So far the impact of the bulging, expensive, short-term deposits has been uneven, bankers say. Large money-center banks in New York, Chicago and California stand to gain because the new accounts replace more expensive sources of money, like Federal funds and certificates of deposits.

A recent survey by Goldman Sachs found that a large number of these banks were able to attract funds from outside the bank into their money market accounts. Originally many analysts had feared that depositors would simply shift funds from noninterest-bearing accounts — such as checking accounts — into the new accounts, thereby raising significantly the banks' cost of funds. But the survey shows that at Chase Manhattan, Manufacturers Hanover, First Chicago and First National Boston more than 60 percent of the money in the new accounts came from outside these institutions.

About half of the money came from outside sources at such banks as the Bank of America, Continental and Citicorp, while only 20 to 30 percent came from outside sources at regional banks such as the Wachovia Bank in Winston-Salem, N.C., and the Northwest Bancorporation of Minneapolis.

The success of the larger banks, which borrow heavily in the money markets, means that savers are again making funds directly available to the banks rather than routing them to the

bank through the money market funds, which invested in bank certificates of deposits. "One layer of intermediation has been eliminated and that should be a cost savings to the bank," said Stuart Greenbaum, a banking expert at Northwestern's Kellogg Graduate School of Management.

But none of the large banks have snared enough deposits to take them out of the money markets altogether. By Mr. Greenbaum's estimates, the banks will pay one-quarter point less on these deposits than they would pay if they borrowed in the market. Most banks are paying between 8 percent and 8.75 percent on deposits on money market accounts and up to 10.5 percent on I.R.A.'s, with most of the money center banks concentrated at the high end of the range. Toward the end of this week, Federal funds were trading in the 8.80 percent range while six-month certificates of deposit were fetching 8.84 percent.

For the regional banks with large retail operations, the new deposits are a mixed blessing. Bank of America, which uses customer deposits to fund much of its operation, has collected more than \$12 billion in its money market accounts. And even though much of it is uninvested, Bank of America is paying those depositors 8.20 percent on their balances. "We've got all these liabilities and

the name of the game is to turn them into assets," said Raymond W. O'Brien, senior vice president of the Bank of America.

But turning those deposits into loans isn't all that easy. The recovery has been slower than anticipated and businessmen have been uncommonly slow in building inventories, reducing the demand for loans to finance growing stocks. Also, lower corporate taxes over the last few years have greatly enhanced corporate liquidity. Liberalized depreciation allowances alone will add \$18 billion to corporate cash flow this year, according to Prescott Ball & Turben. Consequently, much inventory rebuilding has been financed internally.

And consumers, despite surveys indicating that their confidence in the economy has soared in the last several months, have stayed away from bank loan officers. Instead, they are saving at record rates and swelling the banks' coffers. A few banks are participating in increased auto financing activity, but others find it unprofitable. "We can't compete with the subsidized automobile rates" that the auto finance companies are offering, said Joel Crabtree, Continental's senior vice president for personal banking.

Banks that are unable to turn all of their deposits into loans have parked the overflow in short-term instruments. Wachovia, for example, has garnered more than \$450 million in these new accounts this year and more than \$300 million is sitting in Federal funds, certificates of deposits and other short-term instruments that offer only a slim potential for profits.

Some experts predict that the interest payments plus the cost of servicing these accounts could lead to huge losses for many smaller banks if rates take an unexpected turn upward. "One reason for bank failures in the Depression was that banks were paying interest on checking accounts," said Isaac L. Long, chairman of St. Louis' Southwest Bank. "We are not willing to pay those prices for money when we can't reinvest it without risk," he added.

Because Southwest has not chased the more expensive deposits, it is able to offer its customers cheaper loans, he said. Last weekend, the bank dropped its prime rate to 10 percent. It is offering 25-year variable-rate home mortgages at 10 percent in the first year plus a 2 percent service charge. The loans must be renegotiated after the first year. That compares with mortgage rates of about 12.5 to 14 percent at other banks.

The Economy

Many bankers agree with Mr. Long's assertion that the initial effect of Congressional legislation that removed interest-rate ceilings at commercial banks and thrift institutions will be to keep interest rates on bank loans at a relatively high level. "Once institutions started paying market rates, they had to start charging market rates," said an official of the Federal Reserve Board who asked to remain anonymous. "You'll never get the genie back in the bottle again."

Before deregulation started with the Monetary Control Act of 1980, which removed many of the investment restrictions on thrift institutions and blurred the distinction between all financial institutions, Federal laws

acted in the professional money markets," said First Chicago's John Vitale, a senior vice president. "At some point, though, their size will affect the way we conduct our money market operations. The way we manage our balance sheet will change."

There is much talk of moving to variable-rate consumer loans as a way of limiting the risks. Even though some thrift units have gone back to making fixed-rate 30-year mortgages, hardly any lenders are holding on to them, preferring instead to sell them in the secondary market to insurance companies and pension funds.

Because the thrift institutions were so badly burned in the late 1970's when rates shot up and depositors aban-

High-yielding accounts have filled vaults. Now the bankers are groping around for profitable investments.

dictated ceilings for interest payments in all depository institutions. But loan rates fluctuated with the availability of funds.

Some bankers, however, think that deregulation's upward effect on rates may be overstated by critics of deregulation. "On average, interest rates on loans will be higher, but we're talking about fractions of a point rather than points," said John Medlin, president of the Wachovia Bank.

In any case, banks will be slow to lower their lending rates because the lion's share of the new deposits is vulnerable to immediate withdrawal and also to surprising turns in interest rates.

The new accounts, largely short-term, will hone the skills of the banks' asset and liability managers. They must make more variable-rate loans and find ways to lengthen the maturity of the new accounts, which in the case of money market accounts could be as short as one day. Otherwise the institutions would risk the same financial hemorrhaging that has afflicted the thrift units.

"The volume in these accounts is not large enough to alter the way we

done passbooks in search of higher yields, many thrift executives are quite worried about the potential fickleness of the new accounts.

"There's just so much of that money that the savings and loans want," said Donald E. Latin, executive vice president of the Dallas Federal Savings and Loan Association. "Our problem has always been borrowing short and lending long. That money can be taken out at a day's notice."

Money market accounts at the nation's thrift institutions now represent about 18 percent of total deposits, surpassing the passbooks, which account for 13 percent of the total. Some experts think that these funds should represent no more than 10 percent to 15 percent of total deposits.

Thrift units are using much of their new wealth to pay down borrowings from the Federal Home Loan Bank, a source turned to by many to maintain viability in the recent years of upheaval. Only the most aggressive are into new areas of lending while loan demand is still weak.

Most are putting their excess funds into Federal funds.

Prospects

A Greenspan Fed?

Alan Greenspan, a leading contender to replace Paul A. Volcker at the helm of the Federal Reserve Board, may not fit the mold of the "President's man." Aides are arguing that Mr. Reagan must place his own man as chairman of the Fed when Mr. Volcker's four-year term runs out Aug. 6.

But if the White House is looking for a different policy — either a little more adherence to the money supply or a push to get interest rates down further for the election year — Mr. Greenspan may not be the man.

Friends of the chairman of the Council of Economic Advisers under President Ford and outside adviser to President Reagan say he will be another Volcker. "Alan's actions would not be significantly different from those of Mr. Volcker," one associate said. Mr. Greenspan is not commenting, but he has said several times that Mr. Volcker deserves reappointment.

Consumers on the Move

One of the rules of economic forecasting of the last several years, which has not been followed too often, is expect the unexpected to happen. And, according to the rule, the consumer has not been spending during the initial months of the current recovery. Thus, the recovery is still limping along.

Citing recent reports from retailers and higher auto sales for the first 20 days of April, Lawrence Chimerine of Chase Econometrics is now betting that the expected is happening — the consumer is beginning to spend.

He says purchasing power is rising and will continue because of lower inflation, tax refunds and the 10 percent tax cut in July. The surge in the stock market is increasing net worth dramatically and is making consumers at least feel wealthier. Increases in housing starts and sales will spur spending for household goods, and the decline in layoffs recently is giving another shot in the arm to consumer confidence.

New Tune for Bond Sages

The surge in the nation's key money supply figures had barely begun to slow down this month, but if you listened, there was an audible sigh of relief in the bond market, as short-term interest rates, which had been inching up, turned downward. Yet, some soothsayers didn't waste any time coming up with another cause of worry and disquietude — the Federal budget deficits.

The worry is the same as it was at this time last year — the budget process could fall apart, leaving deficits of some \$200 billion to \$300 billion out through 1988 and the anticipation of this continued huge government demand for credit would push long-term interest rates higher, effectively stalling any recovery.

But Alan Greenspan, who often comments on the markets himself, isn't sure the markets dance to every new tune the commentators play. "I don't think markets switch back and forth, the commentators switch," he said, adding that the deficit threat has been around for a while but was easily forgotten by the commentators during the rapid decline in interest rates last year. This change, he said, "raises serious questions about what the commentators know about the markets."

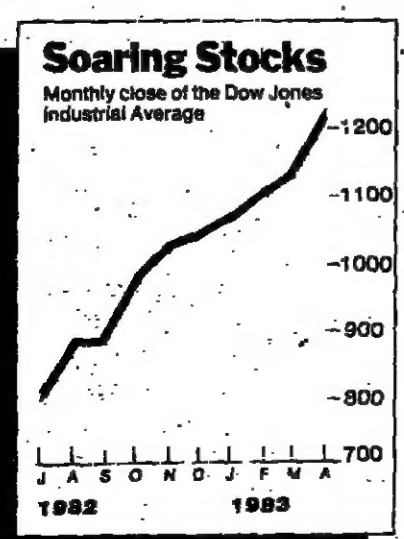
WEEK IN BUSINESS

Wall Street's Surge Picks Up Steam

The Dow Jones average raced past the 1,200 mark for the first time ever as investors barreled into the market in full force. Oil stocks — buoyed by Soviet and Egyptian price increases — led a one-day, 22-point advance that carried the Dow to 1,208.46. It climbed still further on the strength of technology and blue-chip stocks and closed the week at 1,226.20, up 29 points. It has been a rousing time for the stock market — the Dow is nearly 60 percent higher than its August 1982 low — and one that many believe will continue as retirement account money and still-large cash holdings flow into Wall Street. Says Greg Smith of Prudential-Bache: "The stock market only needs prospects of a recovery, lower bond rates and cash from I.R.A.'s to keep it happy."

March's 1.5 percent rise in the nation's leading indicators — coupled with solid gains in the coincident indicators — helped boost the market's spirits about recovery. The rise in the leading indicators, which signal future economic activity, was the seventh consecutive monthly gain and was powered by sharply higher stock prices, gains in the average workweek and a rapidly rising money supply.

But money supply growth has slowed dramatically since March — M-1 fell \$2 billion last week alone — and this could give the stock market



the lower interest rates it needs to sustain a rally. M-2 is expected to grow at an annual rate of only 6 percent in April, down from 11 percent in March and well within the Federal Reserve's target of 7-10 percent for the rest of this year. Such a slowdown, some analysts believe, should produce a renewed rate decline that could push 30-year Treasury bonds to 9.5 percent — they fell to 10.3 percent last week — over the next several months.

Paul Volcker gave his blessing to Government-coordinated foreign ex-

change intervention as a way to stabilize sharply fluctuating currencies. So did a study by Western governments that called intervention an effective short-term tool in bringing order to volatile markets. It is all part of a debate that's likely to be a key topic at this month's economic summit meeting in Williamsburg, Va.

Europe lodged a bitter protest against American proposals to clamp down on trade with the Soviet Union. President Reagan's wants to amend the Export Administration Act to curb imports from nations that sell to Russia in violation of United States trade sanctions. The Europeans said that such extraterritorial reach — a tactic that's also likely to get some attention at the summit — was "contrary to international law."

President Reagan's trade plans also include revamping the nation's trade agencies. The Administration will ask Congress to fold the Commerce Department and the Office of the United States Trade Representative into one Cabinet-level agency, a sort of Japanese style ministry that would coordinate policy. The proposal could run into tough sledding in Congress, which is already balking at White House proposals to abolish the Energy Department and split up the Education Department.

The nation's top two steelmakers

need more than import curbs to solve their problems. U.S. Steel and Bethlehem, whose customers have yet to participate in the economic recovery, both reported big first-quarter losses. U.S. Steel's deficit totaled \$118 million, as slimmer profits from its Marathon Oil unit failed to overcome a \$232 million loss in steel operations. Bethlehem, the No. 2 steelmaker, said its red ink totaled \$175.2 on a 14 percent drop in shipments.

French Revenge: Thomson-Brandt, France's state-owned electronics company, selected Japanese rather than European technology developed by Philips for its video cassette recorders. The decision came only weeks after Thomson's bid to buy Grundig was rejected by West German officials in part because of Philips' refusal to shed its 25 percent stake in the German electronics company. In a bit of French irony, Thomson, will now be manufacturing a Japanese product that was the object of tough import curbs imposed by the French Government.

Car sales remained stuck at an annual rate of 6 million units, as the Big Three auto makers reported that new-car deliveries rose a meager 4.3 percent in mid-April. It was a particularly disappointing 10-day period for the industry, which had hoped that a host of sales incentives would bring on a burst of spring-buying fever.

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED APRIL 29, 1983

(Consolidated)			
Company	Sales	Last	Net Chng
Exxon	6,670,500	35 1/2	+ 2 1/2
Chryslr	6,529,800	28 1/2	+ 1/4
Am Mot	5,599,800	7 1/2	- 1/4
Stevn J	4,253,800	24 1/2	- 1/4
Sears	4,206,800	41 1/2	+ 2 1/2
ATT	4,167,800	68	+ 1 1/2
IBM	4,156,400	117	- 1/4
G Mot	3,972,800	68 1/2	+ 2 1/2
Ford M	3,712,100	51 1/2	+ 3 1/2
A Home	3,375,200	46 1/2	- 1 1/2
Atl Rich	3,260,000	46 1/2	+ 4
Mobil	3,191,500	31 1/2	+ 3
Wm Cm	2,974,700	28 1/2	- 1/4
Sony Cp	2,952,700	15 1/2	+ 1 1/2
Int Harv	2,952,100	9 1/2	- 1/4

MARKET DIARY

	Last Week	Prev. Week
Advances	1,255	1,297
Declines	738	709
Total Issues	2,202	2,194
New Highs	576	649
New Lows	20	15

VOLUME

(A.P.M. New York Close)	Last Week	Year To Date
Total Sales	505,731,781	7,167,719,080
Same Per. 1982	286,562,780	4,347,270,436

WEEK'S MARKET AVERAGES

	High	Low	Last	Net Change
New York Stock Exchange				

Indust	109.0	104.8	109.0	+2.87
Transp	87.1	85.2	86.5	-0.65
Util	47.2	46.3	47.2	+0.57
Finance	103.0	100.0	103.0	+1.16
Composite	94.2	90.9	94.2	+2.12

Standard & Poor's

400 Indust	185.7	175.3	184.7	+5.02
20 Transp	28.2	27.0	28.0	+0.26
40 Util	64.5	63.9	64.3	+0.42
40 Financial	21.0	20.0	20.7	+0.19
500 Stocks	165.3	157.3	164.4	+4.00

Dow Jones

30 Indust	1236.4	1177.6	1226.2	+29.90
20 Transp	531.3	513.4	524.8	- 2.30
15 Util	128.9	125.4	128.4	+ 1.24
65 Comb	477.4	458.8	473.9	+ 6.80

The American Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED APRIL 29, 1983

(Consolidated)			
Company	Sales	Last	Net Chng
DorneP	3,327,500	3 1/2	+ 1/4
Wang B	1,985,000	39	+ 1 1/2
ImpCh	1,942,000	7 1/2	+ 1/4
ImpInd	749,100	4 1/2	+ 1
Telaph	589,300	16 1/2	- 1
MitCheI	630,000	21	+ 2 1/2
KeyPh	585,500	3 1/4	- 1
CmPH	585,900	4 1/2	- 1
Cyprus	558,500	2	- 1/4
PepB	520,900	26 1/2	- 1/4

MARKET DIARY

	Last Week	Prev. Week
Advances	459	484
Declines	343	320
Total Issues	914	916
New Highs	200	219
New Lows	6	9

VOLUME

(A.P.M. New York Close)	Last Week	Year To Date
Total Sales	48,567,434	698,247,724
Same Per. 1982	19,952,915	355,757,313

The New York Times

Founded in 1851

ADOLPHUS OCHS, Publisher 1896-1936
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYDEN, Publisher 1961-1983

ARTHUR OCHS SULZBERGER, Publisher
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ELINE J. ROSS, V.P., Systems

A Path Out of the Secret War

Taken at his word, President Reagan has given Congress the advice it needs when it reviews America's involvement in a secret war against Nicaragua. In his definition of Central American policies last week, the President didn't deny the undeniable. He insisted the operations were lawful and limited to the objective of interdicting any arms traffic from Nicaragua to guerrillas in El Salvador and elsewhere.

So be it and so let Congress legislate. Committing American arms to a small band of Nicaraguan exiles has already offended common sense, scandalized Latin allies and worried C.I.A. professionals. It has also undermined the logic, and seriousness, of Mr. Reagan's strategy for containing pro-Soviet Nicaragua by dividing the very democrats in the region whose support is essential for success.

Congress should therefore welcome Mr. Reagan's unambiguous definition of United States policy toward the regime in Managua:

"We do not seek its overthrow. Our interest is to insure that it does not infect its neighbors through export of subversion and violence. Our purpose, in conformity with American and international law, is to prevent the flow of arms to El Salvador, Honduras, Guatemala and Costa Rica."

It would thus be not a rebuff but a reaffirmation if the House Select Committee on Intelligence votes this week to spell out limits on American actions against Nicaragua. The chairman, Representative Edward Boland, has in mind barring all aid for operations inside and against Nicaragua while budgeting \$80 million for an open effort to interdict any

arms shipments from Nicaragua to guerrillas elsewhere.

This tightening is needed because of the way the Administration has interpreted a previous Boland amendment, adopted in December. It prohibited use of American arms for the purposes of toppling the Nicaraguan regime or igniting a war between Honduras and Nicaragua. But the secret aid to some kind of combat continued, on the theory that it was enabling a 3,000-man exile army to "harass" and otherwise complicate the lives of Nicaragua's defenders. Never mind, apparently, that exiles led by officers who served in the national guard of the former Somoza tyranny had other objectives.

Mr. Reagan seems to have dropped this spongy distinction. One need have no sympathy for the Sandinists to judge the operation a potential disaster. Stansfield Turner, the former C.I.A. director, warns that as covert actions build up momentum, they go dangerously out of control. In his view, the Nicaragua operation was risking "substantial damage both to our national interests and the C.I.A."

Ceasing this secret war won't weaken Mr. Reagan's Central American diplomacy, or take a bargaining card from former Senator Richard Stone, his newly designated special envoy to the region. The United States has abundant legitimate ways to express its dismay at Nicaragua's course and to rally the region's democrats. They constitute the "resources of diplomacy" that Mr. Reagan has yet to tap convincingly.

Heil History

You're a West German magazine publisher, on the trail of the scoop of the decade: a Hitler diary that no one even knew existed. You fear a hoax but you smell a killing. You pay a lot to look and, finding the volumes plausible, a lot more to keep them. Now you own the "real Hitler" that no one ever knew, a daily anatomy of evil. What do you do?

You're an eminent British historian who first gained fame proving Hitler dead so that his ghost would never rise. You're also a director of a London newspaper that wants to share the glory and the profit of helping people relive the century's nightmare. You are given many stories of how the diary was obtained and a chance to look it over without really reading it. What do you do?

You're the editor of an American news magazine, offered exclusive rights to reprint these startling revelations over many weeks. You hear dramatic accounts about the diary's discovery and its authentication by a British historian. You're invited to have your own historian take a two-hour peek. What do you do?

What all these enthusiasts of history did was alarmingly wrong. The German magazine made no

effort to seek the opinion of eminent German historians or archivists; the great secret might have leaked. Neither the British nor the American historian hesitated to speculate before the world about the authenticity and significance of the find. And both the British and American publications, apparently haunted by the competition of panting rivals, showed more concern about the strings on publication than about the fragile authentication.

Indeed, as Newsweek said in ending its extraordinarily long and loudly promoted report on the find: "Now the appearance of Hitler's diaries — genuine or not, it almost doesn't matter in the end — reminds us of the horrible reality on which our doubts about ourselves, and each other, are based."

Almost doesn't matter? Almost doesn't matter what really drove the century's most diabolic tyrant? Almost doesn't matter whether Hitler is reincarnated, perhaps redefined, by fact or forgery?

Journalism should take no solace from the customary excuse that it must deal with history in a hurry. And scholars in such a hurry, their second thoughts notwithstanding, can hardly be called historians.

Siren's Song of Spring

It used to be said that birds sing in the spring from hearts flooded with joy, but lately scientists claim that birds are virtual mechanisms singing only as a territorial device. (We are inclined to split the difference and suggest that they sing from the joy of territoriality.)

Birds' colors, too, used to be considered God's gift to His own eyes as well as ours, but now are spoken of as pigments with a territorial aspect, as military equipment with a competitive, mechanistic role in mating.

Yet the prettiest bird in the Northeast is the cedar waxwing, which is among the least competitive of territorial birds. It is a lovely fawn color, with a sharp crest, rakish black mask, red "wax" tips on the wing feathers and a yellow band at the end of its tail. The sexes look indistinguishable, and a flock will sit on a telephone wire genially passing a cherry

back and forth until one bird finally swallows it. They choose nesting partners in a most gregarious, gentle manner, rarely battling trespassers of any species.

A spring day is a good moment to reaffirm the mystery as well as the complexity of life. Take whale songs. In their eerie musicality of octave leaps, they used to be heard by seamen down in the forecastles of sailing ships. Lying in a bunk, separated by three inches of wooden hull from the hissing waves, the sailor must have imagined that those voices harmonizing with the ship's own creaks were a god's or siren's song, and according to his mood, taken them to be either death or life calling.

Now that we know he was hearing only the intricate rumor-mongering of humpbacked whales, does it really seem a less awesome or spiritual sound?

Topics

Mnemonic

Soon after taking office, every President insists that he will practice consensus-style cabinet government. It never happens; no sooner do White House interests conflict with those of the departments than Presidents forget the Cabinet. But the rest of us try not to forget it, even though it has been changing fast, what with five new departments in 30 years.

Our mnemonic device for remembering the Cabinet is two sentences, which convey the departments in order of creation:

State
Treasury
Defense
Justice
Interior
Agriculture
Commerce
Labor
Health, etc.
Housing, etc.
Transportation

See
the
dog
jump
in
a
circle.
Leave
her
home
to

Forgetfulness

Commerce is listed in italics because President Reagan now wants to replace it and the Special Trade Representative with a new department for international trade. It's a perennial. Similar ideas were advanced without success by Presidents Johnson, Nixon and Carter.

But any such change, involving heavy economic responsibilities, also involves a small verbal responsibility. If "Commerce" yields to "Trade," what word might supplant "circle" in the mnemonic? "Track," maybe — as in "Congress won't truck with the idea this time, either."

The Birds of War

Few creatures evoke such reflexive horror as the vulture, sinister in shape and repellent in diet. Joan Didion's mordant book, "Salvador," tells of vultures grown stout on human car-

cion. A flock of 800 vultures winters at what was once an American killing-ground in Gettysburg, Pa.

Local guides say the flock has been there since the great battle of 1863, and that some of the birds alive today could have been around more than a century ago. So tenacious is this folk belief that it has prompted an extended study of the vultures by scientists at Penn State and Virginia Polytechnic Institute.

Little is known about the ways and lifespan of the vulture. The friend who told us about the Gettysburg flock found this lack of curiosity revealing. Vultures look awful and feed on human flesh, but then so do sharks, and they are the subject of many treatises, books, even films.

People seem to avoid the study of vultures because they are the birds of war, emblems of humanity's soiled innocence. Even vampire bats seem more tolerable. Would anyone pay to see a movie in which Count Dracula turned into a vulture?

Letters

Nuclear Regulation: The Court Changed Nothing

To the Editor:

Your April 22 editorial "State Powers, Nuclear Power" is misleading as to the meaning of the recent United States Supreme Court decision upholding the constitutionality of the California nuclear moratorium law.

Rather than plowing new legal ground, the Court simply reaffirmed the traditional division of authority between state governments and the Federal Government in the regulation of nuclear energy. Thus, the Court's decision preserves the status quo under the Atomic Energy Act: States are permitted to regulate need and economic considerations, and the Federal Government is exclusively responsible for the regulation of public health and safety.

With respect to the Federal Government's responsibility to regulate public health and safety under the Atomic

Energy Act, the decision is the strongest statement ever made by the Court on behalf of Federal pre-emption over public health and safety matters.

So what are the effects of this recent Supreme Court decision?

The most immediate effect has been the adverse publicity attendant with the reporting of the decision, which has served to further weaken the confidence of the public and the investment community in the nuclear option. In the long term, less is certain as to what specific ramifications the decision may have on the development of nuclear energy.

Since the recent recession and other factors have resulted in sufficient electrical generating capacity, the nuclear industry does not expect any new orders to be placed by electric utilities within the next several years. By the time utilities are ready to order any new nuclear plants, sufficient

progress should have been made in the implementation of the Nuclear Waste Policy Act of 1982 to convince most states that there indeed exists a demonstrated means for the disposal of nuclear waste.

In regard to other areas, the decision would appear to strengthen the Federal Government's hand in connection with emergency planning — surely a safety-related issue.

In order to improve safety and to reduce costs so as to encourage states to welcome nuclear power plants, Congress should enact a package of reforms to make the Nuclear Regulatory Commission's licensing process more stable and predictable. Only in this way will nuclear energy be able to compete equitably with other energy sources.

EDWARD M. DAVIS
Senior Vice President
American Nuclear Energy Council
Washington, April 25, 1983

A State's Estimate Of Health's Worth

To the Editor:

I am an attorney practicing in New York City, and today I had the misfortune of having to inform a 50-year-old man who was crippled in an automobile accident in June of 1975 that he would not be able to recover anything more than a \$10,000 bond which insured the driver of the automobile who had caused his injuries.

My client sustained three areas of very significant injury. After extensive surgery and hospitalization, he is left with a crippled and shortened leg and with a deformed face.

There was really nothing that I could tell my client that would explain the failure of the Legislature to require insurance in the State of New York above the current \$10,000 minimum.

When mandatory coverage for automobile owners and drivers was instituted decades ago, \$10,000 was a substantial sum of money. Unfortunately, this no longer holds true, and it is long past the time when the limits of mandatory liability insurance policies for automobiles should have been raised.

I hope that, considering the countless victims of this unfortunate situation, the lobbyists for automobile insurance companies who have repeatedly defeated this legislation over the past decade feel some remorse. It certainly is about time for all concerned citizens to require their legislators to demand this change.

ALVIN E. BROOME
New York, April 22, 1983

Classics in Search of Classical Actors

To the Editor:

John Beary (letter April 24) fails to identify the greatest difference between the English and Canadian Shakespeare theaters and their counterpart in Stratford, Conn.: the dearth of American actors dedicated to the



Karl Rindler

classics and willing to make the continuing commitment such plays require.

Americans are invariably miffed by any suggestion that native talent is not equal to the challenge. Jack O'Brien, artistic director of the San Diego Shakespeare Festival, is one who rose to the defense, not without some confusion: "Does anyone ever wonder why Broadway is filled with English actors, why English actors win the Tony awards? It's not because they're better than our actors. Hogwash. They're bet-

ter because they're used to playing the great roles" (news story Sept. 2, 1982).

However, in his book about the Actors Studio, David Garfield observed that, although more scenes from Shakespeare are performed there than from the next four preferred playwrights combined, the "American Method simply does not have a record of accomplishment in the production of noncontemporary plays."

Lee Strasberg attributed this failure to the "general and crucial lack of intensive training over an extensive period of time for most American performers," at the studio or elsewhere.

Meanwhile, the English and Canadian companies enjoy a steady supply of young talent to augment a largely stable assemblage of associate artists.

The English classical rep has nurtured many of this century's finest performers, including Laurence Olivier, John Gielgud, Judith Anderson, Richard Burton, Derek Jacobi and Ben Kingsley. Alan Howard, who starred in the Royal Shakespeare production of "Good" on Broadway last year, began his association with the company in 1966.

Until America can develop a similar dedication to the vast opportunities offered by classical theater, as well as encourage actors to subordinate their individual aspirations to the establishment of sound repertory companies, this country cannot hope to produce consistent, quality classical theater.

IRVIN LESLIE
Babylon, L.I., April 26, 1983

Abundant Natural Gas Awaiting Decontrol

To the Editor:

Your April 28 editorial "Old Gas Can't Save Consumers" makes a number of strong points in support of the Administration's proposal to deregulate the production of natural gas. There is, however, one point which you appear to overlook and which has critical importance to gas consumers:

Decontrolling the category of gas which would otherwise be forever regulated would produce additional supplies. These supplies would improve the nation's energy posture and be economically efficient, i.e., cost less than other energy alternatives.

The Secretary of Energy has estimated that the incremental supply from deregulation of "old" gas — to remain controlled under existing law — may reach 11 trillion cubic feet. A Shell Oil Company study estimates an additional 52 trillion cubic feet.

Whatever the ultimate number, the substantial and economically efficient supply response from deregulating

forever-regulated gas provides strong additional support to your position favoring the gas decontrol proposal.

MICHAEL E. CANES
Vice President
American Petroleum Institute
Washington, April 26, 1983

Peace Deserves a Try

To the Editor:

"Stop Nukes"; Then What? [editorial April 19] is a sad commentary on our society. You chastise the nuclear freeze movement for not having a practical next step. Maybe you are right; the human race probably does not know what to do with peace. But isn't the question we have faced for over 20 years more haunting: More nuclear weapons; then what? I for one prefer the hope of the first question to the impending doom of the second.

J. C. WEGWERT
DeKalb, Ill., April 19, 1983

Prime Tory Scorecard

To the Editor:

The April 18 news article, "Britain's Guessing Game: Date of the Election," includes the assertion, attributed to Conservative politicians opposed to a June election, that "no Conservative Prime Minister since World War II... has lost an election after a full term of Parliament."

In fact, the only Conservative Prime Minister since the war who waited to the end of a government's five-year term — Sir Alec Douglas-Home in 1964 — lost. Three Conservative Prime Ministers went to the country at an earlier point. Two of them — Anthony Eden in 1955 and Harold Macmillan in 1966 — won. Only one lost: Edward Heath in 1974.

Whatever pattern is to be read in these few tea leaves hardly bears out the sweeping generalization passed along by those Conservatives.

DONALD E. STOKES
Princeton, N.J., April 20, 1983
The writer is dean of Princeton University's Woodrow Wilson School.

The Dollars Castro Once Wanted — but Never Asked For

To the Editor:

"The Myth of Cuban-Spawmed Revolutions," Dr. Benjamin Spock's April 21 letter, perpetuates a myth of its own in asserting that, when Fidel Castro visited Washington in April 1959, the Eisenhower Administration refused him financial aid, "thus pushing him into the arms of the Soviet Union."

True, the purpose of Castro's trip was to seek a loan. He had ordered his three principal economic/financial advisers — National Bank President Felipe Pazos, Finance Minister Rulo López Fresquet and Economy Minister Regino Boti — to prepare detailed plans and projects, and he took the trip along with him to work out the details with their U.S. and international counterparts.

But upon arriving in Washington on April 15, Castro told reporters that he was not going to ask for money: he would not play the role of beggar, as other Latin American leaders usually did. He now ordered his three aides not to make any loan request. I have fully documented this volte face, with statements from those ministers, in my book, "Cuba: The First Soviet Satellite in the Americas" (1961).

López Fresquet describes what happened:

"I came with the idea of initiating negotiations for a loan, and Dr. Castro expressly prohibited me from speaking about requesting loans. He was so con-

cerned about that, that when I had an appointment with [Treasury] Secretary [Robert B.] Anderson, ... Fidel at that moment was at a banquet and was speaking, and as I rose — he knew that I was going to the appointment with Secretary Anderson — he stopped his speech and told me, 'Remember, Rulo, I don't want you to discuss money.'"

Why did Castro change his mind? According to López Fresquet: "... he did not want the aid of the United States in the slightest, because he did not want the world to see that a great democracy was helping Cuba. He wanted to be able to say, afterward, that the United States had not helped Cuba."

Felipe Pazos told me that even after Castro had torpedoed the financial negotiations, U.S. and international officials were willing to discuss financial aid to Cuba. Pazos kept appointments with Federal Reserve, World Bank and International Monetary Fund officials, but he had to tell them, "I cannot negotiate loans during this visit." He promised to return but never did. Castro never made a formal loan request.

Dr. Spock forgets that the Eisenhower Administration had made several friendly gestures toward the Cuban revolutionary regime. It had recognized its provisional President, Manuel Urrutia, within 48 hours of his appointment. It had replaced its allegedly pro-Batista ambassador, Earle T. Smith, with one friendly to the revolution, Philip W. Bonsal. It certainly did not believe that Castro was a Communist or would lead Cuba into Communism.

On that, the evidence is clear. The C.I.A.'s Deputy Director, Gen. C. P. Cabell, told the Senate's Internal Security Subcommittee as late as November 5, 1959: "Our conclusion ... is that Fidel Castro is not a Communist."

In the light of this background, Washington had no political or ideological motive for turning down a Castro loan request. Castro just refused to make one. I leave it to Dr. Spock to decide whether he was "pushed" into Soviet arms or fell into them voluntarily.

DANIEL JAMES
Washington, April 25, 1983

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Who Among Us?

By Anthony Lewis

BOSTON — On Nov. 3, 1969, President Nixon spoke to "the great silent majority of my fellow Americans" about Vietnam. He warned that "defeat and humiliation" there would destroy U.S. credibility. "A nation cannot remain great," he said, "if it betrays its allies and lets down its friends." Rejecting American withdrawal, he said we would stop the Communists by building up South Vietnamese forces.

"It is not the easy way," he said. "It is the right way. It is a plan which will end the war and serve the cause of peace."

President Reagan went to the same well of rhetoric when he addressed Congress and the country on Central America. If we did not prevail, he said, "Our credibility would collapse, our alliances would crumble..." To avoid that we must build up anti-Communist armies in El Salvador and elsewhere.

The other thing likely to prove similar is the outcome: disaster. For like the Nixon approach of 1969, the Reagan formula for Central America is unrelated to the facts on the ground. It is built on bombast and wishful thinking.

Mr. Reagan's premise is that revolution in El Salvador threatens our vital interests. Yet to meet that threat he relies on a corrupt and brutal Salvadoran Army that by every criterion is failing. It is not only faltering militarily; it is further alienating the brutalized population of the country.

The idea that the Salvadoran military can fight successfully for humane values is a travesty. The U.S. military experts who have studied the situation say it would take years, and massive doses of aid, to get the security forces into shape. The U.S. Ambassador, Deane Hinton, has spoken of a decade to bring about "generational change" in the officer corps.

Some informed observers think time is already running out. They say the Salvadoran Government is sliding toward collapse. What then? If U.S. national security hangs on defeating the revolution, can Mr. Reagan really refrain from sending combat forces? I would bet not on it.

The President, making a major speech on the subject, gave no indication that he has a clue to the reality in El Salvador. Instead he offered demagoguery: a mixture of half-truths, Red-baiting and jingoism.

His main effort was to paint Nicaragua as the villain. The Sandinist Government, he said, denied Catholic priests "the right to say mass on radio during Holy Week." It drove the Miskito Indians from their villages. "It condoned mob action against Nicaragua's independent human rights commission and drove the director... into exile."

The Sandinists do indeed have human rights violations on their record. The worst is the forced removal of the Miskitos. But what has happened in Nicaragua in the last few years is pretty tame stuff compared to what has happened — and is still happening — in El Salvador.

In Nicaragua, priests were unable to broadcast. In El Salvador, Archbishop Romero was murdered at the altar. Right-wing killers are universally believed to have shot him and four American churchwomen — and no one has been brought to justice.

A human rights organization in Nicaragua has suffered some instances of harassment. In El Salvador, Government soldiers have murdered two employees of the human rights commission, and its president was killed under disputed circumstances last month. Several other human rights workers, including one American woman, disappeared after abduction by the security forces.

Over the last few years in Nicaragua 100 civilians have reportedly been killed by soldiers. In El Salvador, the security forces have murdered more than 35,000 noncombatants since 1979. They are still killing about 100 a week.

Mr. Reagan's praise for El Salvador was cynical — and, worse than that, dangerous. By proclaiming that U.S. national security depends on the Salvadoran forces, he was in effect telling the oligarchs who control that society that they really do not have to reform. They can say to themselves: "We're too important to the Reagan Administration. They'll never let us go."

As a substitute for facts, the President offered scare politics. "Who among us," he asked, "would wish to bear responsibility for failing to meet our shared obligation?" The implication was plain: If the Democrats block U.S. arms and covert war, they will be blamed for "losing Central America." Demagoguery kept the United States in Vietnam for a long time after the facts were clear. The 1969 Nixon speech was a success in that sense; it dampened the protesters. But, of course the "plan" of relying on South Vietnamese forces did not win the war or bring peace.

The Reagan speech was successful the other night, too, arousing Republican cheers. But I think the reckoning will come very soon. The American public is not going to stand for deepening involvement on an unrealistic basis. It may even be that leading Democrats, this time, will have the courage to say no.

PRINCETON, N.J. — The results of the two world wars of this century, representing setbacks for European civilization, already began to draw a veil of doubt over the validity, in this modern age, of most of the theoretical principles worked out in earlier centuries to relate the use of the armed power of the state to politics and morals. But the development of the nuclear weapon, bringing the power of existing arsenals to a point that made their use in warfare suicidal and threatening to the very intactness of civilization, heightened the significance of these questions many times over, presenting dilemmas to which the wisdom of the past provided no sure answers, and raising the demand for a fundamental rethinking of the role of armed force in the strategy and the moral philosophy of the modern state.

Numbers of individuals have struggled, over the years, with this challenge and have published their findings. Many conferences of scholars and individual officials have been devoted to it. But these efforts involved no collective discipline, and they departed from no unified, accepted platform of moral philosophy.

Nearly two years ago, a committee, set up at the instance of Archbishop John R. Roach, president of the National Conference of Catholic Bishops, undertook the drafting of a pastoral letter designed to develop and to perfect, as the authors of the letter described it, "a theology of peace suited to a civilization poised on the brink of self-destruction." The paper went through two preliminary drafts. These came, repeatedly, before the membership of the Conference. They were reviewed in international ecclesiastical gatherings held under Vatican auspices. They were discussed at length with senior officials of the present, and previous, American Administrations. The third and final draft, reflecting the results of all these consultations, has now been completed and is to be given final consideration at a special meeting of the Conference in Chicago tomorrow and Tuesday.

This paper, which is now available to the public, may fairly be described as the most profound and searching inquiry yet conducted by any responsible collective body into the relations of nuclear weaponry, and indeed of modern war in general, to moral philosophy, to politics and to the conscience of the national state. Not all of the paper is directed to a non-Roman Catholic readership; the final and fourth part, dealing with "The Pastoral Challenge and Response," is addressed directly to members of the faith. But most of the remainder represents an effort "to share the moral wisdom of the Catholic tradition with the larger society... and to participate in a common effort with all men and women of good will who seek to reverse the arms race and secure the peace of the world."

Whatever else may be said of this paper, no one can say that its authors made it easy for themselves. They confronted, without flinching, the challenges that nuclear weapons present, not just to all previous Catho-

George F. Kennan is professor emeritus at the Institute for Advanced Study and author, most recently, of "The Nuclear Delusion."

The Bishops' Letter

By George F. Kennan

lic teachings on the relationships of war to morals and politics but to Western public philosophy on these questions generally. Both tone and language of the document bear witness to the earnestness that this effort involved.

The entire question of war, as a legitimate recourse of the national state, is re-examined here with relation to the conditions of this present age. Is there still such a thing as a "just war" in the traditional sense? Can there, in other words, be circumstances in which the state would be justified in waging war? Yes, reply the authors, there can be, but the conditions in which war might be legitimately resorted to are narrowly circumscribed, and the manner in which warfare can then properly be waged is subject to a whole series of restrictions. The cause must be just. The authority that takes the responsibility of launching hostilities must be

competent. Resort to the force of arms must be a last resort; all other alternatives must have been previously explored and tested. Above all, the principle of "proportionality" must be observed: The damage to be inflicted and the costs incurred by war must, that is, "be proportionate to the good expected by taking up arms." And the action must be discriminate. The security of noncombatants must be respected. War must be directed "against unjust aggressors, not against innocent people caught up in a war of their making." There must, in particular, be no aiming of any act of war at the destruction of entire cities or of extensive areas along with their populations.

Are there, in the light of these principles, any circumstances in which the inauguration of nuclear warfare would be justifiable? No, say the authors, there are none. Nuclear weapons are too indiscriminate; even if

they are not launched with the aim of destroying innocent civilian life, they inevitably subject it to a wholly unacceptable jeopardy.

But how about "deterrence"? "May a nation threaten what it may never do? May it possess what it may never use?" And is nuclear deterrence, then, a justifiable concept? Yes, say the authors, it is — but not as a purpose in itself — only as a step toward progressive disarmament. It can be invoked as a means of preventing others from using nuclear weapons; but concepts that run to "prevailing" in nuclear war must be seen as going unacceptably far beyond that, as does any attempt to achieve nuclear superiority, as distinct from sufficiency.

In support of these principles, the letter recommends a whole series of arms control measures, including in effect a general stop to the arms race, deep bilateral cuts in arsenals, a comprehensive test ban treaty, and removal of the short-range weapons "which multiply dangers disproportionate to their deterrent value." It recognizes, however, that arms control agreements alone are insufficient if not accompanied by vigorous parallel efforts to reduce political tensions.

The authors avoid the mistake of allowing it to be inferred that if only the nuclear danger were overcome, all would be well. They recognize the wholly unacceptable destructiveness of even the so-called conventional weapons in this modern age. They quote Pope John Paul II to the effect that "the scale and the horror of modern warfare — whether nuclear or not — makes it totally unacceptable as a means of settling differences between nations." They reject the suggestion that to remove the possibility of nuclear war would be to enhance the probability of a non-nuclear one. Means must be found of defending peoples, they insist, that "do not depend upon the threat of annihilation." The authors do not rule out the possibility that there might have to be a strengthening of Western conventional forces to fill whatever gap might be created, at least psychologically, by the removal of the nuclear option; but they prefer to see the emphasis placed on a new and more determined effort to achieve mutual reductions in conventional forces with a view to disarming both the real possibilities and the public fears of a conventional conflict.

That these propositions meet with the hearty approval of this writer will be evident. But my purpose is not to point that out, but rather to emphasize that the beauty of the pastoral letter lies precisely in the limitations it defines — in the moral perimeters it establishes for the use of force in international affairs.

The paper is firm in its insistence that military values, even when they legitimately exist, must never be treated as absolutes and hence carried to self-defeating extremes — that they must rather be seen, invariably, as relative and conditional: relative to the fundamental need of civilization for survival, conditional on the observance of those elementary moral scruples beyond which horror becomes unlimited, and hope impossible. There is surely no lesson that this generation of Americans needs more to learn.

old frauds on Capitol Hill now recognize that the program has no future and are seeking only to prolong the day of reckoning until they have retired.

This leaves many of the younger House and Senate members in panicked certainty that one day an enraged mob will storm the castle, torches in hand, ready to incinerate anyone on the premises — a mob led by our children and grandchildren who are just becoming aware of the horrendous financial burden they are being stuck with.

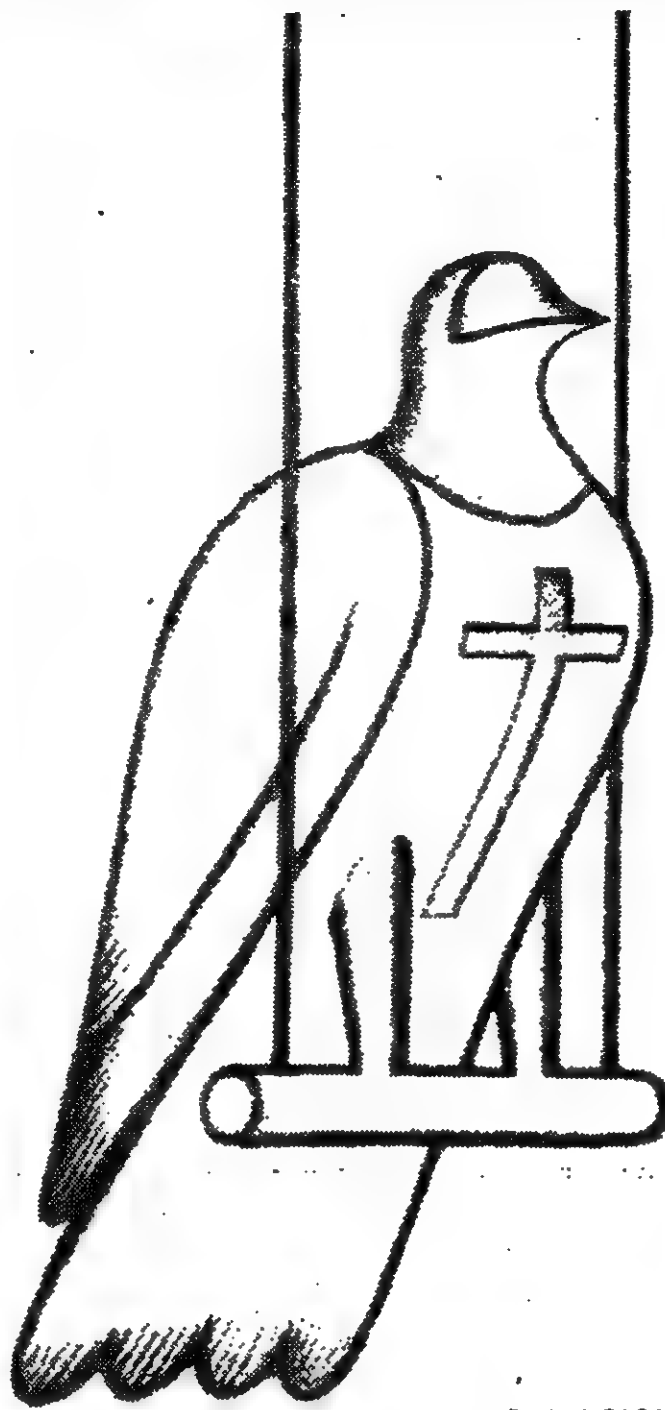
While there is still time left, the elderly may yet avert disaster. It will require some sacrifice, but then sacrifice is no stranger to a generation that hitched up its patched pants and worked its way out of the Great Depression, that endured World War II and then offered aid to friend and foe. We have been through it all and have been around long enough to know there really is no financial fountain of youth.

What we elderly can do is assume the responsibility that historically has been accorded to the elderly of our nation.

To make Social Security sound, we must insist that it be returned to the original intent of Old Age, Survivors Insurance. Other benefits, if deemed worthy, should be transferred to other assistance programs. Retired people with income of, say, \$20,000 a year should not receive payments until actual need arises, or should receive only what they have actually paid in, and the account should be terminated right then and there.

Certainly those at the bottom of our society's economic strata must be kept from dropping through the net, but at least a third of us are getting benefits we do not actually need.

Further, we must impress on our elected officials that our votes are not for sale at any price and that we will no longer countenance any legalized extortion being perpetrated on our children and grandchildren.



Drawings by Bob Oles

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Let the Elderly Stop Runaway Social Security

By Bob Cary

ELY, Minn. — Probably only we, the elderly, can untangle what is usually termed "the Social Security mess." Even though the system has been given a temporary reprieve, no President, no Congress, no politically appointed commission can deal realistically with this matter because, frankly, they are afraid of us. We are organized, articulate, well-financed, and we vote. Indeed, we now receive a gratuity exceeding \$160 billion every year — reason enough to vote. Thus, it should surprise no one that Washington's response to this disaster-aimed mechanism has been to tinker with the transmission, and change the oil — praying that today's crop of elected and appointed officials will be long retired when the cylinder head explodes.

This device, which began as a rather low-key Old Age, Survivors Insurance program, aimed at placing a safety net below our oldest and least-affluent in their twilight years, has been souped up to include medical payments, tuition for youngsters, largesse to those who have made their bundle and retired early, and automatic accelerators indexed to inflation.

That none of us have paid in anything like the projected outgo has been shrugged aside by members of Congress who assure us that they have finally reached the pinnacle of fiscal achievement — a Federal slot machine programmed to furnish everyone with a jackpot. But not exactly across the board. The moderately to very well-to-do, with large private retirement income, get a bigger jackpot: Social Security benefits that sometimes are larger than the gross annual income of many people in the nonretired workforce.

Questions have been raised about how this situation evolved. To put it bluntly, Congress bought our votes. Cleverly, and certainly without risk of getting caught handing out cash in the alley behind the polling place, but it was vote buying nonetheless, paid out

of the Treasury and adding up to thousands of dollars for each of us, advertised as "rights and benefits" that we all "paid for and are entitled to."

Even though we did not pay for anything of the kind, it had a nice, patriotic ring, and some of us still believe in the fairy tale. We vote for them and the checks arrive on time.

Unfortunately, and inevitably, the money has run out. Indeed, it ran out a long time ago but by some financial legerdemain that would probably be a felony in private insurance, and by simply plucking ever larger amounts from the paychecks of younger workers, Congress has somewhat extended the illusion.

However, even the most pompous

September 17

By Zbigniew Herbert

My defenseless country will admit you invader where Jas and little Mary went walking to school the path won't be split into an abyss

Rivers are too lazy not quick to flood knights sleeping in the mountains will continue to sleep so you will enter easily uninvited guest

But sons of the earth will gather at night funny carabinieri plotters of freedom they will clean old-fashioned weapons will swear on a bird on two colors

And then as always — glows and explosions boys like children sleepless commanders knapsacks filled with defeat crimson fields of glory the strengthening knowledge — we are alone

My defenseless country will admit you invader and give you a plot of earth under a willow — and peace so those who come after us will learn again the most difficult art — the forgiveness of sins

Zbigniew Herbert, a Polish poet, wrote this in Warsaw in autumn 1981. On Sept. 17, 1981, Moscow warned Warsaw that something must be done to stop growing "anti-Sovietism." The poem, in the forthcoming volume "Report from the Besieged City," was translated from the Polish by John Carpenter and Bogdana Carpenter.

WASHINGTON

Why Not a Summit?

By James Reston

WASHINGTON, April 30 — The U.S.-Soviet nuclear arms talks in Geneva have reached an impasse, which is likely to develop into a crisis before the end of the year unless both sides make some strenuous new effort to avoid it.

The United States is committed to begin deploying its new cruise and Pershing 2 nuclear missiles in Britain, West Germany and Italy at the end of the year, within reach of the Soviet Union, unless an agreement is reached by then to reduce or eliminate the Soviet intermediate missiles now targeted on Europe. Both governments have rejected the other's proposals, and already time is short for a serious reappraisal.

In fact, the danger increases, not only because the passage of time adds more missiles to the arsenals of the two major nuclear nations, but because Soviet officials have recently been threatening, if we employ new missiles in Europe, to put intermediate Soviet nuclear missiles within striking distance of the United States. Nobody who remembers the Cuban missile crisis during the Kennedy Administration will underestimate the importance of avoiding another such confrontation.

The chances are that this alarming prospect will not be removed by officials at Geneva arguing about "who's ahead" in the arms race, but will have to be discussed as the presiding political issue of world affairs by President Reagan and General Secretary Andropov. Chancellor Kohl of West Germany proposed such a summit meeting when he was here the other day, and other allied leaders are likely to urge President Reagan to give it serious consideration when they meet with him at Williamsburg, Va., at the end of May.

The purpose of a summit at the present time and under present circumstances is not only to reach some kind of accommodation on the control of nuclear weapons but also to appraise the wider relations between the United States and the Soviet Union and their policies in relation to the other nations of the world.

In fact, unless there is a better understanding between Washington and Moscow on a broad range of issues that now threaten the peace and order of the world, the chances are that they will not be able to negotiate an acceptable nuclear accommodation.

There is, of course, a popular view in the United States that two nations that hold such fundamentally incompatible views of history, of the nature of society and the individual's place in it cannot hope to reach a general agreement, and that the Soviet Union wouldn't be faithful to its promises if they did.

However, former Presidents Ford and Carter, who were the last to meet a Soviet leader personally, do not agree, nor do they accept the idea that personal summits are meaningless.

Mr. Ford testifies that his long talks with Leonid Brezhnev at Vladivostok, while they didn't settle anything, were highly useful. Mr. Carter met Mr. Brezhnev in Vienna near the end of his Administration for the signing of the SALT II treaty and thought their general talk on U.S.-Soviet relations was hopeful.

But by that time, Mr. Brezhnev was very ill. Zbigniew Brzezinski, Mr. Carter's national security adviser, has said that "the greatest foreign policy mistake we made was that we did not meet Brezhnev early in the Carter Administration and make clear to him what the United States could do to improve relations, and what it could not tolerate in defense of its national interests."

In President Reagan's case, there are even domestic political arguments for a summit meeting. His foreign policy is not going well in the Middle East, Central America or even in Europe. As a result, the Congress is challenging his conduct of foreign affairs, and sometimes adding to the confusion in the process. Nobody doubts that a summit meeting with Mr. Andropov would command the attention of the world and even of the Congress.

For the time being, Mr. Reagan is scrambling from one crisis to another, reacting to other people's leads, emphasizing El Salvador in a major speech to a joint session of Congress and sending Secretary of State George Shultz to the Middle East. The Secretary vows to remain for weeks if necessary to get the foreign troops out of Lebanon and, against the odds, try to persuade the Israelis to accept the Reagan plan for Palestinian "autonomy" in the West Bank and Gaza.

It's hard to understand these priorities. The President finds time to deal with the leaders of almost every government in the world except the Soviet Union, but even with a nuclear crisis coming on, neither Mr. Reagan nor Mr. Andropov is making any move to talk things over.

The President sent Secretary Shultz to the Middle East not because he had an agreement or even much hope of one but because he wanted to demonstrate that he was willing to do everything possible to keep the peace process going.

The same argument applies to a Reagan-Andropov summit. It might not get anywhere, but history and the American voters are not likely to blame President Reagan for trying.

Laurence Olivier, at 75, Returns to 'Lear'

By PETER COWIE

Tethered horses, awaiting their cue, champ nervously on straw. "Sir's coming," whispers a technician. Red lights on four mobile cameras wink on and off, and a clapperboy stands ready. It is 2:30 P.M. in the Granada Television studios in Manchester, and "Sir" is the affectionate, respectful greeting accorded Sir Laurence (now actually Lord) Olivier, about to make his first appearance of the day on set as King Lear.

Retainers strain to draw back a pair of creaking gates, and Mr. Olivier emerges to be hailed by his faithful Kent, who has been consigned to the stocks by the King's vindictive daughter, Regan. "Ha!" exclaims the King. "Mak'st thou this shame thy pastime?" The trim white beard softens his imperious stance. Tall, gentle, Mr. Olivier stands beside the stocks, full of piteous concern, mouth agape as though gasping for relief at the sight of such treachery.

On each take, he delivers his speech with a different emphasis, as though reliving the role anew. "I must be a director's notion of hell where TV's concerned, for I cannot do anything the same way twice," the actor comments to a visitor on the set.

The final videotaping of the \$2 million Olivier "Lear" took place last fall. It will have its official American premiere Tuesday evening at an invitational screening to be held at the Ford Foundation in New York, with its celebrated star in attendance.

This "King Lear" was televised in Britain earlier this spring; when American viewers will have the opportunity remains undetermined. Negotiations for a U.S. broadcast outlet are still in progress. Meanwhile, special screenings of the production have been arranged for a few Americans, including President and Mrs. Reagan, who entertained Mr. Olivier at a private White House dinner party for 36 this past Tuesday. The 75-year-old actor was in the United States for the Film Society of Lincoln Center's tribute to him the night before.

For those to whom Mr. Olivier in Shakespeare represents the pinnacle of dramatic experience, this "King Lear" should come as a notable event, even if not all the critics in Britain were ecstatic about the production. The most vivid appraisal came from *The Observer's* Robert Cushman: "Laurence Olivier as King Lear made me cry.... He seemed on more intimate terms with this drama than any other in which I have seen him.... And he was every inch a king."

Mr. Olivier did, in fact, make the very first television production of the Bard — a "Macbeth" — as far back as 1936, and his film versions of "Henry V," "Hamlet" and "Richard

Peter Cowie is a British critic and film historian. His latest book is "Ingmar Bergman: A Critical Biography" (Scribner's).



The actor as King Lear for TV—"The age comes naturally now."

III" are benchmarks of the genre. He has played Lear only once before, at the Old Vic in 1946. And so, having tackled most of the great Shakespearean characters on film, he regards this Lear as the capstone of his career.

Has his interpretation of the role altered over the years? "Not at all, as far as I can see. The age comes naturally now," Mr. Olivier says with a chuckle. "It's just a little less angelic, by virtue of his not having this long hair and beard all the time — save in the mad scenes, where Lear's out in the wilderness and you're not sure how long he's been there. So, we shot those at the beginning, when the beard was at full length. Of course, when you're 39 [the actor's age in 1946], you're full of spunk and vinegar, and the toughness of a role doesn't upset you very much."

At his present age, Mr. Olivier takes cautious care of himself. A lion in winter, he moves warily both on set and off. A stool is found by some thoughtful assistant as the makeup woman fusses around his features. When he blows his lines, he puts his hand to his head in frustration and apology.

Michael Elliott, a British stage director who has done some 50 television productions, scarcely appears on set. Instead, as is the mode in videotaped productions today, he sits

in a distant eyrie, communicating with his crew on the set via headphones, switching from closeup to mid-shot at the press of a button, editing as he goes along, as it were, and descending between takes for a quiet word with Mr. Olivier. Together they have trimmed the play down to a little over two hours ("I don't think the medium will hold the interest any longer," comments Mr. Olivier), and while Mr. Elliott will have the right of the initial editing, Mr. Olivier, as producer and general catalyst, will, by his own cheerful admission, "come whanging in, messing around, killing it stone dead!"

The setting of "King Lear" posed, as always, a challenge. "In spite of some sophisticated lines and inferences," says Mr. Olivier, "the feel of it is pretty remote. Nobody knows anything about what costumes were like circa 900 A.D. There's no art to show us. To the Romans, the English were barbarians, hardly clothed, probably wearing kilts of some kind."

Granada's research department was able to provide designer Roy Stonehouse with enough Anglo-Saxon detail to create a series of credible sets — farmyard huts roofed with wattle and clumps of turf, a circle of awesome stones that evoke Stonehenge. "There were 60 henges in England at that time," Mr. Olivier explains.

"They were sacrificial altars, and whether it was human or cat or cow or what, you can only guess. And the luridly romantic side of your nature hopes that it was human — virgins and stuff like that."

Mr. Stonehouse also had four cow-hides stitched together to form the huge map of the English boundaries used in the opening scene to show the division of Lear's kingdom. "They had no cartographers of any distinction at that period, everything had to be guessed at," muses Mr. Olivier.

He extols a cast that includes Leo McKern as Gloucester ("He's on screen longer actually than Lear"), John Hurt as the Fool, Dorothy Tutin as Goneril, Anna Calder-Marshall as Cordelia, Colin Blakely as Kent, Jeremy Kemp as Cornwall, David Threlfall as Edgar and Diana Rigg as Regan.

Speaking of Lear's daughters, who drive him to his eventual undoing, Mr. Olivier cautions against describing them as inhuman. "Two of them are horrid girls. The other's very, very nice. But they all start off all right, and you must sympathize with them. Of course," he adds with a sly grin, "Goneril and Regan slip into bed with anyone they take a shine to," referring to the lecherous glances given by both women to Robert Lindsay as Edmund.

Mr. Olivier speculates on the British facility for turning out first-rate players: "It's a funny thing, because acting is out of key with the English character. We're so reserved, tight upper lip and all that, and I suppose that we're in some degree liberated when acting. But we do have a repertory system, a better training for stage actors than they do in America."

What is it that makes "King Lear" the Mount Everest among serious actors' roles? "It's the only star part for an old man in dramatic literature that I know of," replies Mr. Olivier. "Nobody ever wrote a play about Methuselah. If you're 75, which I am, it's damned hard to find parts. If you're the right age for King Lear...," he pauses, then continues with candor, "It sounds terribly boastful, but there's nothing to it. He's just a selfish, irascible old bastard — so am I. It's a straight part for me. Absolutely straight. I'm not asking for compliments. It is so: My family would agree with that statement. No wonder he's all right, they'd say, he's just himself, he's got just that sort of ridiculous temper, those sulks. Absolutely mad as a hatter sometimes."

"Yet often," he adds, "if you've too much skin with the part, in common with the character, it doesn't work. When you're younger, though, Lear doesn't feel real. You're searching for a reality."

Heading Granada is David Plowright, Mr. Olivier's brother-in-law (in 1961, Joan Plowright, the actress, became the actor's third wife). Some five years ago, he and Mr. Olivier

considered doing "King Lear" on the stage and simply transferring it to television. But Mr. Olivier has had to combat a fearsome battery of serious illnesses, including cancer, and while he has beaten them off, he has become increasingly wary of the physical strain a role may impose. So, it was deemed easier to mount the whole of "King Lear" in the studio, using video techniques.

"The final signal that he was prepared to have a go," recalls Mr. Plowright, "was the appearance of a stubble of beard around Christmas '81, and after that I put him together with Michael Elliott. So, it's a joint concept of theirs, together with our designer, Roy Stonehouse. The four of us worked for about six months developing it."

The talk strays to earlier acting triumphs. John Osborne's "The Entertainer," for example. "What a part!" exclaims Mr. Olivier. "It's the most superb bit of writing I've ever come across. I think it's a great play, underrated in the late 50's. The critics had raved over Osborne for 'Look Back in Anger,' and they weren't going to be that hoodwinked so easily again. So, they decided that if it hadn't been for the performances and the casting,

'It's the only star part for an old man. When you're younger, Lear doesn't feel real.'

there would have been very little to say about it. In New York, too, they just refused to believe it was a good play. But all my American theater friends said of the critics, 'They're mad. This is a great play, a fantastic play.' It was a study of England, a sort of modern 'Heartbreak House,' and the fall of Archie Rice is the fall of Great Britain."

Mr. Olivier must travel across town to listen to the original music Gordon Grose has composed for "King Lear." As he dons his coat and scarf, he tells a little anecdote about his Richard III: "I knew I had to have a special tone, a special inflection, so I based his voice on what people had told me of Sir Henry Irving's." And in a fleeting phrase he is once again that hectoring, guileful monarch, eyes rolled up, head cocked askance, before venturing out into a winter's day, every inch one's image of the courteous English gentleman, full both of sweetness and of tribulation.

Cinema Chic Catches the Eye But Misses the Mind

By VINCENT CANBY

In "The Hunger," a new film directed to the nines by Tony Scott, Catherine Deneuve and David Bowie play the achingly chic Miriam and John, who live in an East Side Manhattan palazzo more grand than most embassies, surrounded by several millennia of art objects, without any visible means of support and not even any visible domestic help.

One must suppose that when their satin sheets need changing, Miriam or John orders new ones by telephone and tosses the old ones into the industrial-sized incinerator in the basement, which also receives guests who have overstayed their welcome. Miriam and John are a very special couple who have been together for years — approximately 200.

Miriam, who has a frosty, ageless beauty and dresses in tomorrow's couture fashions, was born in Egypt before the time of Christ and is a vampire. Toward the end of the 18th century she met John in England and bestowed on him eternal life, which, as he's now beginning to realize, isn't all that it's cracked up to be. As "The Hunger" opens, John can't sleep properly. Those periodic blood-

of the film but also becomes a way of observing the world.

In a magazine, when we see pencil-thin mannequins posed against a crowd of New Delhi beggars, we are not meant to consider India's urban problems but hem-lengths. In much the same way in "Exposed," when we watch Harvey Keitel and his associates as they make elaborate plans to bomb a Paris railway station, it's impossible to think about the consequences of that act since Mr. Keitel seems not to be running a terrorist gang but a modeling agency. His "operatives," beautiful and young and dressed in the height of casual elegance, are a gang that can't shoot straight or even park a car properly.

Cinema chic has its origins in Italy, whose mostly left-wing filmmakers, including Francesco Rosi ("Illustrious Corpses") and Elio Petri ("Investigation of a Citizen Above Suspicion") have been its avant-garde, and whose cinematographers, including Vittorio Storaro, Giuseppe Rotunno and Pasquale de Santis, its major technicians.

This is not to say that everything that Mr. Storaro photographs — which has included Bernardo Bertolucci's "The Conformist" and "Last Tango in Paris," as well as Francis Coppola's "Apocalypse Now" — is cinema chic, but only that when a movie like Mr. Bertolucci's "Luna" doesn't measure up to its high-fashion look, the result is cinema chic.

This Italian "look" has been imported on occasion. Mr. Rotunno, Federico Fellini's favorite cameraman, poured it all over Bob Fosse's "All That Jazz," though more frequently it has simply been imitated, as in Paul Schrader's terrifically chic looking "American Gigolo" and "Cat People."

If any one director can be described as the father of cinema chic, it must be Michelangelo Antonioni, whose "L'Avventura" was its seminal film. Like "L'Avventura," Mr. Scott's far less pretentious "Hunger" is not about an awful lot but so consistently, so eye-blindingly beautiful to look at that you could take almost any frame of it, place a bottle of Calandre in the foreground, and create a perfume ad that would fit into the pages of even the snootiest slick magazine.

In "Blow-Up," Mr. Antonioni exhibited a command of color equal to his use of black-and-white in "L'Avventura," "La Notte" and "Eclipse," and made a movie by which all succeeding cinema chic must be measured. "Blow-Up" is so rich-looking one can almost feel the textures of the grass in the park where a murder may or may not have happened, of the building facades and of the huge sheets of paper on which nude models frolic for the benefit of the high-fashion photographer. One is entertained even while suspecting that the whole thing is a shaggy dog story.

This is also true of "Exposed," though some members of the audience at the Cinema I last Friday afternoon couldn't suppress their giggles during the film's climactic shoot-out adjacent to the Seine. It wasn't, I suspect, that they found the sight of several dying characters funny but because, after a number of arbitrary plot twists, they didn't believe a minute of it.

What they did believe, however, was the way the film looks — it was photographed by Henri Decae — and it looks so chic that one sits through it as if witnessing an eccentric spectacle. Its chief and virtually only attraction, if you discount the uncomfortable performance by Rudolf Nureyev, is Nastassia Kinski, who plays a super-successful high-fashion model. Miss Kinski manages to be both animated and beautiful, especially in scenes in which she is alone, even though she looks enough like Mr. Nureyev, who is not beautiful, to be his sister.

The reason that "The Hunger" is such an inoffensive example of cinema chic is that it doesn't pretend to be anything except an extremely classy-looking film, Susan Sarandon notwithstanding.

'If any one director can be said to be the father of cinema chic, it is Michelangelo Antonioni.'

fixes don't provide the sustenance they once did. Poor John is starting to decay.

In the course of a few hours, sitting in a doctor's waiting room, John ages from 35 to 85 right in front of our eyes, thus physically manifesting the boredom that the rest of us, under similar circumstances, would internalize by thumbing yet again through the National Geographic.

John wants to die, but he's doomed to live on forever as a pain-wracked bag of bones, stashed away in a coffin in the attic, along with the undead remains of all of the other lovers acquired by Miriam over the centuries.

Though "The Hunger" sounds absurd and, indeed, is absurd if one insists on being rational about it, it shouldn't be dismissed. It's entertaining in the thoroughly decadent way of what might now be called cinema chic. It's more entertaining and less offensive than Jacques Beineix's "Diva," which exemplifies cinema chic, and makes a tiny bit more sense than "Exposed." James Toback's romantic melodrama about high-fashion and international terrorism, which is cinema chic if only because it can't be taken too seriously as anything else.

Cinema chic is not something that most directors, with the possible exception of Mr. Scott and Mr. Beineix, set out to make. It's what they wind up with when the rest of the movie is overwhelmed by a visual style that stops at nothing to catch the eye but, having caught the eye, doesn't follow up with something that can be passed on to the mind or the emotions. It's surface glitter, production design, bizarre costumes, extravagant camera movements — all of which can be entertaining in themselves, like a layout in Vogue, without being especially important.

It's filmmaking as apparently influenced by the jazzy techniques of television commercials and by some of the more outrageous conceits of high-fashion photographers. It's also a film whose elegant "look" not only is the point



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Trading low but market on the up

TEL AVIV. — Despite the various First of May celebrations stock trading took place yesterday, as the market showed definite signs of improvement and winners held the upper hand. A full 83 shares posted gains of 5% or more, while another eight were "buyers only." On the losing side there were 45 securities, with nine issues registered as "sellers only."

Trading activity was low, but perhaps the main reason for that was the fact that Bank Hapoalim was closed. The turnover was IS677 million.

Index-linked bonds continued to edge higher in sluggish trading. In spite of the recent upside activity, statistics indicate that many bond issues are lagging behind the Cost-of-Living Index and are not attractive to the majority of investors.

The General Share Index was unchanged, but when leaving out the commercial bank group, it wound up down by 0.38%. On balance, the market was improved, but statistically it was probably brought down by several issues that fell by heavy margins. A case in point were the Ben-Yakar 1.0 shares, whose price collapsed by no less than 28%. The fifth option was down by a similar margin as it fell by 27.4%. The heaviest single loser were the Goldfrost 1.0 shares which were pared by no less than 30.4%.

Commercial bank shares moved in keeping with their routine scenario as prices moved ahead moderately. Maritim 0.5 was most active and was ahead by 1.7%. FIBI was fractionally higher.

Mortgage bank issues were in good form and moved ahead smartly, with Adanim up by 8%.

The insurance sectors was among the best performers. Gains were not all that steep, but 5% winners were visible.

The trade and service group was volatile and wound up slightly

Tel Aviv Stock Exchange

By JOSEPH MORGENSTERN

higher, Delek(R) was 10% lower, as Gilei Zohar 5.0 was up by an identical figure. The Cold Storage shares were strong, but the option did best, with a 15.7% upward move.

Unaccountably the land development and real estate group showed a sharp fall of 3.7%.

Property & Building continued to ease, as it backtracked by 2.1%. Mehadrin was 7.3% lower and so was Mishael. Levinstein 5.0 was 10% winner, as Solel Boneh fell by the same amount.

Industrialized ended the session barely on the upside. Agan did not trade as the company announced its financial results. Urdan 0.5 and IP Industries were both 10% winners. The Masul shares were down by as much as 10.1%, but the option climbed by 7.6%. The Zikim shares were "buyers only," while the option was up by 15%. The Man shares gained as much as 5.9% while the option came through with a whopping 30% advance.

Investment issues also were slightly better. The Israel Corporation 5.0 shares were 9.5% higher. Big losers included Amisrael, which fell by 15%, while Central Trade was down by nearly 14%. Ten per cent gains were notched up by the Puma shares, while Piron edged 2.5% higher.

Agan Chemicals announced that for the year ending December 31, 1982 the company earned IS165.9 million, compared with IS90.7m. a year earlier. Some three-quarters of the company's output is exported.

The United Mizrahi Bank published a prospectus covering its forthcoming rights issue. Copies are

available at banks and brokers' offices as well as at the exchange. Clal Israel advises that it has been in contact with some of the shareholders of the Israel Corporation with a view of carrying out a cooperative venture.

Unico Investments announced that profits had shrunk to IS19.8m. from IS21.6m. the previous year.

IDB Bankholding announced its intention to unify its share capital. (See story page 6.)

The Bank Hapoalim Investment Co. announced its intention to pay shareholders a 100% bonus share dividend. The company announced a 15169m. annual profit, compared with less than IS60m. a year earlier.

Hadar Insurance announced its intention to pay shareholders a 100% bonus share dividend. The company reported an annual profit of IS58m., compared with IS15m. a year ago.

Hamastel Industries (Netanya) announced its intention to establish a ready-cement factory in partnership with another group. The investment in equipment is about \$200,000.

Polgat Industries published its annual report, which showed that the textile concern had earned IS133m. last year, compared with IS37m. the year before.

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Conversions: 151.8m.

Bonds: 1518.0m.

Bank of Israel exchange rates

April 29, 1983

U.S. dollar 41.9200

British sterling 65.5503

German mark 17.0649

French franc 5.6891

Dutch guilder 15.1637

Swiss franc 20.3347

Swedish krona 5.5960

Norwegian kroner 5.9026

Danish kroner 7.7138

Finnish mark 34.2134

Canadian dollar 36.3635

Australian dollar 38.4721

South African rand 8.5030

Belgian franc (10) 24.2431

Austrian schilling (10) 2.8703

Italian lire (1,000) 116.1200

Japanese yen (100) 10.0500

Jordanian dinar 38.1472

Lebanese pound 10.0500

Egyptian pound 38.1472

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ISRAELI LANDS ADMINISTRATION

Northern District

Offer of Plot for the Building of a Housing Unit

Ramat Yishai — Tender 11/83/Nz

Bids are invited for the lease on a plot for the construction of a housing unit at Ramat Yishai. Details of the plot and of the building possibilities (correct at the time of printing this announcement) are as follows:

The tender is open only to Ramat Yishai residents, whose permanent address as noted in their I.D. card (on January 1, 1983) is in Ramat Yishai.

Details, sample agreements and bid forms are available at the area offices of the Authority, Industrial Zone, Upper Nazareth, Tel. 74010, during regular working hours.

Last date for submitting bids: May 31, 1983 (12 noon).

A bid not found in the tenders box when it is opened, whatever the reason, cannot be considered.

No undertaking is given to accept the highest or any bid.

ISRAELI LANDS ADMINISTRATION

Haifa District

Offer of Leases on 2 Industrial Plots

in Nesher — Tel Hanan

Bids are invited from those interested in signing a development agreement with respect to the following plots, the details of which (correct at the time of printing this announcement) are:

The tender is open only to those who obtain a recommendation from the Ministry of Industry and Trade.

Details, sample agreements and bid forms are available at the Authority's Haifa district office, 13 Rehov Ha'atzma'ut, Tel. 660951, during regular working hours.

Last date for submitting a request for a recommendation from the Ministry of Industry and Trade: May 31, 1983. Last date for submitting bids: June 29, 1983 (12 noon).

A bid not found in the tenders box when it is opened, whatever the reason, cannot be considered.

No undertaking is given to accept the highest or any bid.

Cloning	Volume	Change	%	Cloning	Volume	Change	%	Cloning	Volume	Change	%	Cloning	Volume	Change	%
price	IS1,000			price	IS1,000			price	IS1,000			price	IS1,000		
Cloning	100	100	0	Cloning	100	100	0	Cloning	100	100	0	Cloning	100	100	0
Volume	100	100	0	Volume	100	100	0	Volume	100	100	0	Volume	100	100	0
Change	100	100	0	Change	100	100	0	Change	100	100	0	Change	100	100	0
%	100	100	0	%	100	100	0	%	100	100	0	%	100	100	0

General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6
General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6
General C	4820	202	+3.6	General C	4820	202	+3.6	General C	4820	202	+3.6	General C	4820	202	+3.6
General D	4820	202	+3.6	General D	4820	202	+3.6	General D	4820	202	+3.6	General D	4820	202	+3.6
General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6

General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6
General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6
General C	4820	202	+3.6	General C	4820	202	+3.6	General C	4820	202	+3.6	General C	4820	202	+3.6
General D	4820	202	+3.6	General D	4820	202	+3.6	General D	4820	202	+3.6	General D	4820	202	+3.6
General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6

General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6
General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6
General C	4820	202	+3.6	General C	4820	202	+3.6	General C	4820	202	+3.6	General C	4820	202	+3.6
General D	4820	202	+3.6	General D	4820	202	+3.6	General D	4820	202	+3.6	General D	4820	202	+3.6
General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6

General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6
General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6
General C	4820	202	+3.6	General C	4820	202	+3.6	General C	4820	202	+3.6	General C	4820	202	+3.6
General D	4820	202	+3.6	General D	4820	202	+3.6	General D	4820	202	+3.6	General D	4820	202	+3.6
General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6

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General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6

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General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6

General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6	General A	4820	202	+3.6
General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6	General B	4820	202	+3.6
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General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6	General E	4820	202	+3.6

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Glico op	1077	25	+3	2.9	Panna 01	671	161	+7	+9	+10.0
Man 1.0	5192	11	+32	+5	Panna 05	416	149	+46	+10.0	
Man 5.0	3801	9	+10	+2.7	Panna 2	542	35	+16	+3.0	
Man op	158	124	+37	+30.6	Panna op	288	196	+40	+16.1	
					Pyrion	660	218	+76	+25	

Zka 1	520	20	-30	-5.0
Zka 5	483	27	-94	-15.5
Ziks op 1	7450	14	+44	+6.3
Dead Sea r	1795	116	+50	+2.9
Kadumani 1	164	201	+8	+5.1
Kadumani 5	120	n.c.		
Kadum. op A	190	n.c.	-5.9	
ATPM r	3362	21	+50	+1.5
Azis	3020	60	n.c.	-
Petrochemicals	381	382	-1	-5.0
Maquette 1	2540	113	-131	-17.5
Maquette 5	190	831	37	n.c.
Maq. op A	615	14	-26	-4.1
Maxima 1	214	73	n.c.	-
Maxima 5	193	16	+3	+1.6
Maxime op	120	72	+11	+1.0
Nechushtan 0.1	349	106	n.c.	
Nechushtan 0.5	211	44	+5	+2.4
Nechushtan op	109	n.c.	+10	+1.0
Naza Chem.	288	32	+18	6.7
Neo 1	1530	1	+30	+3.4
Sano 5	950	2	n.c.	-
Sunifros	403	90	n.c.	
Spectron 1	1198	37	+40	+3.5
Spectron 5	780	16	+28	+3.7
Spec. op 1	632	-	+5	+3.8

Delek Explo. 1	289	152	+13	+4.7
Delek Explo. 5	193	200	+7	+9.9
Delek op 1	112	104	-9	-7.4
Oil Ex. Paz				no trading
Teroli 1	132	251	+10	+8.2
Teroli 5	105	500	+8	+8.3
Teroli op 1	80	648	+10	+14.3
Teroli op 5	114	300	+9	+9.1
JOEL op 1	80	217	+5	+6.7
M.G.V. op 1	174	128	+23	+9.2
M.G.V. 5	235	572	+9	+7.7
M.G.V. 5	104	637	+3	+3.7
Simsu 1	84	300	+18	+9.8
Simsu 5	106	1360	+4	+3.9
Sissio 1	n/c	839	+6	+8.0
Fedini op r	322	n.b.1	+15	+4.9
N. Amer. 1	296	45	n.c.	
N. Amer. 5	141	91	-1	-1.4
N. Amer. op	121	22	+7	+6.1
Napha	32500	-	500	+1.6

Shidur op	160	174	+16	+11.1
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Ari Rath
Editor and
Managing DirectorTHE JERUSALEM
POSTErwin Frenkel
Editor

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Iyar 19, 5743 • Rajab 19, 1403

Lip service to the teachers

WITH THE doctors' strike still on its hands, the government is now facing the threat of another strike by a major group in the public sector, the teachers. As is usual in such cases, the teachers are charging bureaucratic footdragging on their wage demands.

Originally, the authoritative reply to the demands was to have been available by April 1. That was the date by which the conclusions were to have been submitted of the five committees set up by the Education Ministry to search for ways and means of carrying out the suggestions of six earlier committees formed to consider the proposals of the Shmueli Committee that had urged the implementation of the Etzioni Commission Report.

But April 1 passed; and the promised authoritative reply had not arrived. The two teachers unions — the Histadrut Teachers Union and the Secondary Schools Teachers Association — resorted to intermittent "sanctions" by way of reprisal. It was clear that unless the dispute were settled without much further delay, the entire school system would soon be closed down completely. The end of the school year is strategically the best time for strike action by the teachers: for one thing, they can prevent 12th graders from taking their matric examinations.

Nevertheless, in response to entreaties by Education Minister Zevulun Hammer, the teachers held off action until the cabinet had time to discuss the issue, at its meeting yesterday.

Yesterday the cabinet met, and decided not to decide, quite yet. For the moment officials of the Education and Finance Ministries would jointly work out a proposed time-table for the implementation of the Etzioni Commission Report, including benefits which the teachers could expect to receive already this year. That time-table would be taken up at the cabinet's next session, perhaps as early as later this week.

On the face of it, this was not a wholly unreasonable decision. It has been clear all along that the Etzioni Report could only be implemented in stages, and the cabinet implicitly undertook to take a position in the matter within no longer than a week. On the other hand it could be argued that this was no time for ministers to pass the buck again to officials, and that the decision was merely the old footdragging all over again.

Should the teachers, then, give the cabinet another chance, or should they resort to "sanctions," again, right away? The two unions appeared to be split on this question yesterday. But powerful suspicion of the official word seemed to linger in the profession.

There was reason for this. On the face of it, the government as a whole is firmly wedded to the basic concept of the Etzioni Report, for improvement in the country's educational system through both more — and better — work by teachers and higher remuneration for it. The government undertook this commitment even at the cost of losing the services of a finance minister who insisted that the country's economy could not bear the burden of the mooted improvement.

But this turned out, in no small measure, to be lip service. Although a part of the Etzioni Report has by now been implemented, under strong pressure by the teachers, the Treasury, under Yoram Aridor, is not much readier to carry out the rest of it than was Yigal Hurvitz to start implementation. The argument is familiar: a concession to one group of public employees, beyond the limits of the collective wage agreement, would set off an avalanche of pay claims.

But the prior commitment to the Etzioni Report, even though it must be stretched over a period of years, takes precedence over the agreement. It also takes precedence over a politically-motivated pledge to shell out billions to a non-state, in some respects indeed an anti-state, educational system.

Promising Hapoel Games

THE 12TH Hapoel Games, which commenced last night, promise to provide one of the most exciting sporting festivals in the history of this country. Some 1,500 sportsmen and sportswomen from abroad, some of them famous holders of world records or Olympic medals, will join with 3,000 Israelis in competitions in 26 events, ranging from archery to weightlifting.

Since these Games are not limited to Jews, as the Macabiah is, they produce results of international level. Israeli spectators are given a chance to see renowned stars in action, and to study the changes in techniques that have enabled athletes and swimmers to shatter records, which, only a short time ago, seemed to represent the utmost that the human body could achieve. Nobody dares to say any more what the limit of attainment is; every record can be broken.

Sporting facilities in the Tel Aviv area have improved out of all recognition, a development which should improve considerably the standards attained by the competitors, as well as the comfort of the spectators.

On a parochial note, there is going to be some rejoicing in Jerusalem that at least two events are taking place in the capital, the basketball finals and an exhibition of gymnastics by the Rumanian and other stars. This may seem a meagre reason, but it is more than the capital has ever enjoyed before: these events are only possible because of the opening of the Lea and Maurice Goldberg Sports Centre three months ago. By next year, the Israel Tennis Centre will be able to stage major events in the capital.

As far as athletics, football and other events requiring a major stadium are concerned, there is no hope in sight, unless the obscurantists suddenly take pity on the inhabitants of the city.

Over every sports gathering in modern times falls the grim shadow of a possible political boycott. These Games have not been exempt. The Asians have ignored us. On the other hand, some of the Africans are back. Rumania is represented. Every Western country has sent a contingent. All things considered, in the light of what is happening on the international scene, Hapoel has done very well in the political negotiations before the Games.

To all the competitors who have come from abroad, Israelis will extend a hearty welcome. We hope that, by next Saturday night, when the closing ceremony takes place, sporting history will have been made in all 26 events of the Hapoel Games.

REACTIONS IN GERMANY to the discovery of what *Stern* magazine alleges are Hitler's diaries have been guarded and reserved. For the time being, the media are limiting their discussion mainly to whether the diaries are genuine or a giant hoax.

The pretentious claim of *Stern* that the diaries will require a rewriting of the history of the Nazi regime and of Hitler's biography is receiving, at best, secondary attention.

After the initial excitement, doubts about the authenticity of the diaries are increasing. The thrilling story of their discovery by *Stern* reporter Gerd Heidemann appears to be, after all, fairly full of holes.

More important, the main witness to the authenticity of the diaries, British historian Hugh Trevor-Roper (now Lord Dacre), has retreated considerably from his initial certainty. Having first expressed doubts at the press conference called by *Stern* on Monday, he stated flatly in a television discussion the following night that the special volume of the diaries dealing with Rudolf Hess's flight to England in May 1941 was a forgery.

The round-table TV discussion, in which several well-known historians participated, tended to strengthen the view that the diaries are fakes. Some of the participants, however, left room for the possibility that at least parts of them might turn out to be genuine.

The historians, among them Professor Walther Hofer of Bonn University, Professor Eberhard Jaackel of Stuttgart University, Professor Andreas Hillgruber of Cologne University, as well as author David Irving, who is well known for his efforts to whitewash Hitler, were dissatisfied with the scant efforts so far made by *Stern* to establish the authenticity of the documents, and they remained unconvinced by the story of how they reached the magazine.

MEANWHILE, Hitler biographer Joachim Fest, writing in the *Frankfurter Allgemeine Zeitung*, says that both he and Jaackel had years ago been offered material apparently emanating from the same sources that provided *Stern's* documents.

The smell of sensationalism

By MEIR MERHAV

Jaackel said on television that he had once been offered a poem purportedly written by Hitler in 1916, accompanied by a letter written on the stationery of Hitler's chancery. Investigation revealed that the poem had been copied from a book by Herbert Menzel, who was born in 1906, and that the paper of the accompanying letter was typed on a typewriter that had been made since 1956.

Stern and the *Sunday Times* of London have so far offered the public only samples of the diaries. Not much can be learned from these, and no new light has been shed either on the man or on the Third Reich.

The exceptions are the few entries dealing with Jews. These can be interpreted — and will be so interpreted — as proof that Hitler neither intended the extermination of the Jews nor knew about it. All he wanted, according to one entry, was that the Jews be deported to somewhere in the East, where they would be left to feed themselves. Another entry professes shock at learning that on *Kristallnacht* "some uniformed hoodlums" had caused extensive damage in broken glass alone, and that Jews had been beaten to death and driven to suicide. The entry has Hitler exclaiming: "What will be said abroad?"

THE NEO-NAZIS, who have for years carried on a propaganda campaign to rehabilitate the Third Reich in general and Hitler in particular, have not yet made themselves heard, but it is safe to predict that their main organ, the weekly *Nationalzeitung*, will greet the diaries with jubilation. The readers of the neo-Nazi publica-

tions, which have a circulation of over eight million copies a year, will not be deterred even if it is conclusively proved that the diaries are fakes.

Whether the diaries are genuine or not, Hofer argued in the television discussion that they should not be published without historical commentary. True or false, he said, the question was whether their contents were falsehoods — especially in the case of an arch-lie like Hitler. The other participants in the discussion also launched sharp attacks against *Stern* editor Peter Koch.

Joachim Fest cast doubt, too, on the story of Gerd Heidemann, and mocked the alleged investigations carried out by Heidemann in Latin America, where he went to question various old Nazis hiding out there.

Indeed, what point was there in questioning Klaus Barbie or Erich Rauff, who is living in Chile? Barbie, the "Butcher of Lyons," had earlier "taken care" of the deportation of the Jews from The Netherlands.

For all that, he was a mere captain in the SS, who was very remote from Hitler's entourage — and among those who really belonged to that entourage, no one had ever given the slightest hint that he knew of the existence of such diaries. Some even emphatically denied their existence and any possibility that Hitler could have written them in secret.

THE WHOLE STORY smells of sensationalism on the part of the magazine, which has already upped its price in expectation of record sales.

The *Sunday Times*, meanwhile, suspended its further serialization

of the diaries. It had good reason to be careful, for in 1967 it fell victim to a similar forgery: it bought the Mussolini diaries, which turned out to be a fake by two elderly Italian women.

One of the main arguments in favour of the authenticity of the diaries — an argument that seems to have carried weight with Trevor-Roper as well as with Prof. Gerhard Ludwig Weinberg of North Carolina University — is that a forger, regardless of his motives, would not have gone to the trouble of faking 60 volumes. On the contrary, the more voluminous the material, the greater the risk that the forgery would be exposed by the discovery of inconsistencies and contradictions of documented facts. Answers to that argument are still to be added.

With regard to the content of what has been published so far, there is, apart from the topic of the Jews (which makes the diaries highly suspect) little that is new. Joachim Fest says that the revelation that Hitler was informed of Hess's flight to England in 1941 is not surprising, and that historians had always taken such a possibility into account. Indeed, one Hitler biographer, John Toland, says that Hess outlined his plan to the Fuehrer in advance.

There is also no great surprise in the "discovery" that Hitler hesitated to press his attack on the British forces at Dunkirk, and asked himself whether he would let them go. He had good military reasons for doing so, as some commentators have already pointed out: instead of bogging down his Panzers in the swamps of Belgium, he preferred to save them for the attack on Paris.

Nor is there much new in the other entries published so far. That Hitler suspected Himmler and disliked him, or that he had a distaste for Goebbels' affairs with women, or contempt for Roehm, are hardly earth-shaking discoveries. The confirmation that Hitler's entourage was corrupt, riddled with intrigue, mutual suspicion and hatred, will not require any rewriting of history.

THE DISPUTE over the authenticity of these diaries will no doubt go on for a long time. At present *Stern* is refusing to permit an

authoritative examination, and intends to publish and be damned. Until it finishes mining the 60 volumes for what they are worth, the magazine is content with an examination by three handwriting experts, who have been given no more than a few pages from the material. On the story of the discovery, the magazine expects to be taken on trust. It has not given any persuasive answer to the questions raised by critics, and has not refuted the evidence — indirect and negative as it is — against authenticity.

The majority view of commentators and historians in Germany seems to be that, even if it should turn out that the diaries are genuine, at least in part, one should not expect great new historical insights. *Stern*, which has made that claim, and has access to all the material, has not so far given the slightest indication of anything that might substantiate the claim.

If they should turn out to be fakes, this will probably not convince the Hitler cultists and their periphery. There are many people in Germany who, although not going so far as to justify Hitler or his deeds, are nevertheless engaged in an effort to rehabilitate the Third Reich, and especially its *Wahrheit*.

On the assumption that the diaries are fakes, stories have been published in the German press pointing an accusing finger at East Germany, which allegedly has a forgery factory at Potsdam. When the authors of these stories do not explain what interest East Germany could possibly have in a forgery designed to make Hitler appear in a more favourable light, if they meant to promote some unspecified political goals, they would probably have chosen another method. If they were after the money from selling the fakes, they could have got it even if the contents were different.

On the contrary, if forgers were at work, it is much more reasonable to look for them among those old Nazis who were instrumental in supplying *Stern* with the material. In their case, financial and political interest would coincide.

The writer is The Jerusalem Post's Bonn Correspondent

READERS' LETTERS

THE TEMPLE MOUNT

To the Editor of The Jerusalem Post Sir, — In his letter of April 21, "The Temple Mount," Mr. Mahlab suggests that as this site is holy not only to the Moslems, it should be open to all as in the case of the church-mosque of Sophia. This approach is certainly worthy of consideration.

The main problem at present is that the Temple Mount is prevented from developing any Jewish character. No prayer is permitted there, archeological finds are destroyed or covered over and there are serious security difficulties.

MK Geula Cohen proposed to the Interior and Environment Committee of the Knesset, which discussed a motion she introduced concerning the Temple Mount, that a

special authority be established to administer the holy place with representation of all religions. This authority would replace the Moslem Waqf, which has no connection with the state and is in fact an arm of the Jordanian government. All too often violent demonstrations have begun on the Temple Mount, which is exploited for political agitation on issues having nothing to do with its sanctity.

Whether or not Jews can pray on the Temple Mount need not becloud the necessity for an arrangement that will assure the status of the Temple Mount for all religions, not least Judaism.

DINA TOLEDANO

Tehiya Knesset Faction Secretary, Jerusalem.

POLICE BEHAVIOUR

To the Editor of The Jerusalem Post Sir, — Regarding the letter from Mordechai Noy in your issue of April 8, I would like to make the following points:

1. The parking fine was incurred in June 1981 on a car I sold in May 1982.
2. I only received notice of the 15300 fine one week before the police called in March 1983.
3. There is no justification for police calling at 2 a.m. and frightening

ing not only me but terrifying my three-year-old daughter.

4. I came to Israel believing, as I still do, that it is free from arbitrary police action and abuse of power. To allow police calls at night for minor law infringements is a mockery of this belief. One must not compare the totalitarian U.S.S.R. with democratic Israel: here we must expect the police to respect the rights of the individual.

SILVA ZALMANSON

Rishon Lezion.

THREAT TO DEMOCRACY

To the Editor of The Jerusalem Post Sir, — I agree with Zalman Shoval ("The West Bank and Security" — March 17) that, where the West Bank is concerned, it is impossible to divorce "political considerations from hard military facts." Unfortunately, where in his article does he mention the political aspect of present Israeli occupation or future annexation?

We should all praise the presence of a democracy in an area surrounded by autocracy and dic-

tatorship. But, I ask, for how long and what kind of democracy can it be when Israel takes into its frontiers over a million Palestinian Arabs who not only do not want to be a part of Israel and who possess unequal political rights, but, if their land were to be formally annexed, would constitute a political base large enough to undermine the democratic system itself?

ROB MINSHULL

Dagunya Alef.

CLASSICAL MUSIC

To the Editor of The Jerusalem Post Sir, — Who is the genius responsible for removing classical music from AM radio and banishing it to FM? That means no decent music in the car — most cars do not have

FM radios. It also means poor reception at home even on the best FM radios with an antenna. Spare us!

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The Economist

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LE CARRE AND TERRORISM

To the Editor of The Jerusalem Post Sir, — I refer to Hyam Cornery's interview with writer John Le Carré (April 1): Le Carré's main motive for having arrived at a more "balanced" view of the conflict, is in his own words, the following: "If, it is possible to make heroes of the Igloo and similar groups and to understand the historical reasons why they have to resort to terror, it is equally possible to make concessions for the other side along the same lines."

Le Carré thus proves that he does not understand the nature of terrorism, nor does he distinguish between cause and effect, or between terrorism and counter-terrorism. The Palestinians started to use terror tactics in 1920. (The Easter massacre in Jerusalem), whereas the Jewish groups Igloo and Stern appeared on the scene only 18 years later. Also most Jewish actions were directed against

the Mandate rulers, while Arab terror has always been directed against defenceless civilians.

Le Carré, like most Europeans, lives at a safe and comfortable distance from the terrorism which is part of daily life in Israel. Can he tell us how to curb terrorism? Has he got a better method or a better idea of how to deal with it than the Israelis? Should one simply do nothing and let the terrorists go on with their horrible killings without any reaction at all? I often feel that this is the European "solution."

Terrorism creates a vicious circle of action and counteraction, but it has an origin, which is forgotten by the "evenhanded" Europeans. As long as this is the case, terrorism will continue to haunt the world, and one day the Europeans may themselves have to face the moment of truth. Perhaps then they will understand the Israelis.

ARNE HAUGAN,

Oslo.

GUATEMALAN REALITY

To the Editor of The Jerusalem Post Sir, — In his letter of April 19 ("Guatemala: Tragedy"), Ronald Lieberman of New York mentions the natural and cultural beauty of Guatemala, which he noted in an exhibit together with pictures of persons under death sentence.

Ronald Lieberman should have looked for the reasons. A judge condemned a group of terrorists to death for the following crimes: armed assaults on private residences, bank robberies, kidnappings, rapes and killings of girls, massive assassinations, including

ambushes of state authorities engaged on their business; treason against the fatherland by attacking institutions and the people of Guatemala with sophisticated arms, aid and directives received from foreign extremists.

The Government of the New Guatemala endeavours to direct its people towards a democracy consistent with our possibilities and prevent its fall to a Communist dictatorship.

RAMIRO GEREDA ASTURIAS
Ambassador of Guatemala
Tel Aviv.

NEW REGIONAL CENTRE

To the Editor of The Jerusalem Post Sir, — Readers considering an alternative to both city and communal living may be interested in a new regional community centre in the Golan Heights. Baruchim's 300 to 500 families will be employed in light, sophisticated industry or in providing educational, health or cultural services for settlements in the area. Fifty housing units, equipped with water recycling systems and utilizing solar energy, will be

ready in the summer of 1985 for the first settlers. The town is 600 metres above sea level, lies equidistant from Katzrin and Kiryat Shmona, and overlooks the Hula Valley.

Interested families are invited to contact the *garin* for further information.

SUSAN NE'EMAN,
Garin Baruchim,
Gilo 236/36
Jerusalem.

CONCERNED AMERICAN JEWS

To the Editor of The Jerusalem Post Sir, — I refer to the news item titled "U.S. Jews petition for a 'Jewish, democratic' state" by your Washington correspondent Wolf Blitzer (April 3). As everybody knows, Israel is a democratic state, and criticism and incitement by outsiders (be they even our own brothers) against the government which was chosen by the people will not make it more democratic than it is.

We shall be glad and of course not object to the so-called "Concerned American Jews" making Israel more Jewish by coming and joining us in building and defending it as equal citizens with the right to try and change the government if they so choose and succeed on election day.

E. PINTO

Jerusalem.

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